Daily Report

Latin America

FBIS-LAT-91-137
Wednesday
17 July 1991

Daily Report
Latin America

FBIS-LAT-91-137 *17 July 1991*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Further on Central American Presidents' Summit 1
Venezuelan President Arrives *[San Salvador Radio]* 1
Cristiani Holds News Conference *[San Salvador Radio]* 1
'Controversial' Honduran Proposal *[Mexico City NOTIMEX]* 2
Callejas Threatens To Leave *[Guatemala City TV]* 2
Panama, Costa Rica Accord *[San Salvador Radio]* 3
Guatemala, El Salvador Trade Accord *[San Salvador Radio]* 4
Nicaragua's Lacayo Interviewed *[Managua Radio]* 4
Joint Stand in Guadalajara Announced *[Mexico City NOTIMEX]* 7
Presidents on Panama Integration *[Panama City ACAN]* 7
Presidents News Conference *[San Salvador Radio]* 7
Treaty Protocol Signed *[San Salvador Radio]* 9
Declaration on Integration Bank *[San Salvador Radio]* 10
Spain's Foreign Minister Comments on Cuba *[Mexico City NOTIMEX]* 10
Mexico's Solana on Guadalajara Agenda, Cuba *[Mexico City NOTIMEX]* 11
Solana Statement on Cuba Denied *[Mexico City NOTIMEX]* 12
President Menem Asks Bolivia To Join Mercosur *[La Paz TV]* 12

CARIBBEAN

Cuba

Castro Speaks to Pan-American Games Athletes *[Havana TV]* 13
'One of the Oldest Political Prisoners' Released *[Madrid EFE]* 14
ICRT Recognizes Security Work of 'Orion' *[Havana TV]* 15
Reportage on Vice President Visit to China *[cross-reference]* 15
* Sanitation Program for Pan Am Games Described *[TRIBUNA DE LA HABANA 7 Jun]* 15
* Military Unit Prepared for Zero Option *[GRANMA 26 Jun]* 15
* Implementation of Gasoline-Saving Device *[TRIBUNA DE LA HABANA 29 May]* 15
* Merchant Marine Seeking Ways To Defray Costs *[GRANMA 5 Jun]* 15
* Sugar Minister on Equipment Repair Program *[GRANMA 1 Jun]* 16

Inter-Caribbean Affairs

Results of Caricom Summit Presented *[CANA]* 17
Rainford Issues Caricom 'Anniversay Statement' *[CANA]* 19

Dominican Republic

* Jan-Apr Trade Deficit Registers $306.4 Million *[EL SIGLO 8 Jun]* 20
* April Revenues Total 921.6 Million Pesos *[EL CARIBE 11 Jun]* 21
* Bumper Crop of Manioc, Sweet Potatoes *[LISTIN DIARIO 17 Jun]* 21

Grenada

Reportage on Former Prime Minister Bishop Trial 22
Government Not To Finance Appeal *[CANA]* 22
'Grenada 17' Struggle To Continue *[CANA]* 22
Charles Comments on Verdict *[CANA]* 23

Haiti

Arrests Made in Possible Plot Against Government *[Port-au-Prince TV]* 23
Reports on Repatriation From Dominican Republic 23
185 Haitians Return on Weekend *[Port-au-Prince Radio]* 23
Repatriations Blamed on Macoutes, U.S. *[Port-au-Prince Radio]* 24
Hunger Strikers Seek UN Intervention *[Port-au-Prince Radio]* 24
Protest Demonstration Planned *[Port-au-Prince Radio]* 25
'Operation Storm Wind' Protests *[Port-au-Prince Radio]* 25
CONACOM Proposes Solution *[Port-au-Prince Radio]* 25
Preval Addresses Senate on Issue *[Port-au-Prince Radio]* 26
Dominicans Join Storm Wind March *[Port-au-Prince Radio]* 26
Storm Wind Accuses Government *[Port-au-Prince Radio]* 27
Mesyeux Refuses Job Offer From Preval *[LE NOUVELLISTE 4-7 Jul]* 27
UN Agent Meets With Demonstrators *[Port-au-Prince TV]* 27
Richard Denies Receiving Money *[Port-au-Prince Radio]* 28
Hundreds Demonstrate for Higher Minimum Wage *[Port-au-Prince Radio]* 28
Economic Correspondent on Impact of IMF Loan *[Port-au-Prince Radio]* 28
PUCH's Theodore Criticizes Government Team *[Port-au-Prince Radio]* 29
Government 'Successful' Visit Abroad Hailed *[Port-au-Prince Radio]* 30
Overseas Fundraising Efforts Bring Results *[Port-au-Prince Radio]* 30
UN Official Presents Two Antidrug Plans *[LE MATIN 12 Jul]* 31
Criminal Court Opens; Lists Important Trials *[Port-au-Prince Radio]* 31
Parliament Approves Office of Prime Minister *[Port-au-Prince Radio]* 31

Trinidad and Tobago

Appeal Court Rules Muslims Detention 'Legal' *[CANA]* 32
Panday Supports Expanded Caricom Membership *[CANA]* 32

MEXICO

Salinas on Upcoming Ibero-American Summit *[NOTIMEX]* 33
Plans To Deliver COPPPAL Letter *[Mexico City TV]* 33
Ibero-American Coordinator on Mexico's Image *[Mexico City TV]* 34
Iraqi Charge Requests End to Economic Blockade *[NOTIMEX]* 34

CENTRAL AMERICA

El Salvador

Priest Comments on U.S. Witness in Jesuit Case *[San Salvador TV]* 35
Moakley Told To 'Legislate in His Country' *[EL DIARIO DE HOY 11 Jul]* 35
Bishops Reject Civil War, Death Squads' Crimes *[AFP]* 35
Armed Forces Report on Clashes With Rebels *[San Salvador Radio]* 36
FMLN Attacks, Clashes 6-11 Jul *[Radio Farabundo Marti 7 Jul etc]* 36
Correction to Cristiani Questioned on Cuba 37

Panama

Government Sues BCCI for Noriega Money *[EL SIGLO 15 Jul]* 37

SOUTH AMERICA

Argentina

Carlos Menem on Guadalajara Summit, Integration *[Mexico City TV]* 39
Sambrizzi Put on 'Pending Assignment' Status *[TELAM]* 40
Menem Suspends Relative From Government Post *[NOTICIAS ARGENTINAS]* 40

Bolivia

President Departs 16 Jul for Summit in Mexico *[Madrid EFE]* 40
Further Reportage on Extradition Positions 40
Announced 'Within 48 Hours' *[La Paz TV]* 40
U.S. Position Clarified *[La Paz Radio]* 40
Court President Comments *[La Paz Radio]* 40
Possibility of Country Joining Mercosur Viewed *[La Paz TV]* 41
Corruption Among Police Personnel Reported *[La Paz Radio]* 41

Brazil

BCCI Ends Operations; Credit Lines Canceled *[FOLHA DE SAO PAULO 13 Jul]* 41
Soviet Immigrant Prospects Denied Entry Visas *[FOLHA DE SAO PAULO 15 Jul]* 42
* 1991 Influx of Foreign Investments Examined *[GAZETA MERCANTIL 21 Jun]* 42
* Trade With USSR Viewed With Pessimism *[O GLOBO 17 Jun]* 43
* Cotia Trading Establishes Office in Iran *[GAZETA MERCANTIL 21 Jun]* 43
* Braspetro Announces Three Oil Finds in Angola *[GAZETA MERCANTIL 15-17 Jun]* 44
* Gros States Monetary Policy To Be Maintained *[O ESTADO DE SAO PAULO 15 Jun]* 44
* Conflicts Surface Within New Economic Team *[O GLOBO 17 Jun]* 45
* Plan To Expand Territorial Sea Proposed *[O ESTADO DE SAO PAULO 4 Jun]* 45
* Auto Production Up 25 Percent Over May *[O ESTADO DE SAO PAULO 18 Jun]* 47

Chile

Lautaro Cell Dismantled; Top Leader Arrested *[Santiago Radio]* 47
Bomb Explodes in Mormon Church in Santiago *[EL MERCURIO 8 Jul]* 47
PCCh Identifies Alleged Political Spy *[EL MERCURIO 7 Jul]* 48
Construction of Light Weapons Plant Reported *[Santiago Radio]* 48
Banking Operations With ALADI Authorized *[EL MERCURIO 3 Jul]* 48
Government To Lift Visa Requirement on Bolivians *[EL MERCURIO 30 Jun]* 48

Colombia

Demilitarization Allows CNGSB Reentry *[Madrid EFE]* 48
Guerrillas Announce Temporary Halt in Attacks *[Mexico City NOTIMEX]* 48
CNGSB Dynamites Oil Pipeline in Putumayo *[Bogota Radio]* 49
Reportage on Foreign Minister's Visit to Germany *[cross-reference]* 49

Paraguay

President Asks Colorado Party To Draft Statute *[NOTICIAS 16 Jul]* 49
Uruguayan President Visits En Route to Summit *[Asuncion TV]* 49
Central Bank's Net Reserves Reach $990 Million *[ULTIMA HORA 16 Jul]* 50
Finance Ministry Appoints New Budget Director *[NOTICIAS 16 Jul]* 50

Peru

Prime Minister on Strikes, Guadalajara Summit *[Lima TV]* 50
Cabinet Members To Resign on 28-29 Jul *[Madrid EFE]* 50
Prime Minister on Banking, Tax Reforms *[Lima TV]* 51
Japanese Workers To Move From Interior to Lima *[AFP]* 51
Roundup of Terrorist Activities Reported 52
Activities for 7-8 Jul *[EL COMERCIO 7 Jul, etc.]* 52
Activities for 22 Jun-6 Jul *[EL COMERCIO 28 Jun, etc.]* 52
Guerrillas Reported Leaving San Martin Jungles *[LA REPUBLICA 4 Jul]* 52
State of Emergency Declared in Several Provinces *[Madrid EFE]* 53
Coca Growers Agree to Coca Replacement Talks *[EXPRESO 8 Jul]* 53
Interior Minister on Laws for Ministry, Police 53
Organizational Training Requested *[Madrid EFE]* 53
'Total Restructuring' Reported *[AFP]* 54

Armed Forces To Create Human Rights Department *[LA REPUBLICA 5 Jul]* 54
Army Accused of Murder, Mutilation of Peasants *[AFP]* 55
Polls Shows Percentage of Support for Government 55
Seventy Percent Support Actions *[EL COMERCIO 8 Jul]* 55
Shows Disapproval of Administration *[La Paz Radio]* 55
Health Workers Stage Demonstration in Lima *[Lima TV]* 55
INEI Reports Inflation, GDP Figures *[EL COMERCIO 2 Jul]* 56
Contract Signed With Canada for Projects *[EL COMERCIO 28 Jun]* 56

Venezuela

Perez Departs for Salvador; Minister Comments *[Caracas TV]* 56
President Addresses FEDECAMARAS Ceremony *[Caracas TV]* 57

French Guiana

Ariane Rocket Launch Called 'Complete Success' *[AFP]* 59

Guyana

Jagan Says Public Spending Cuts Come Late *[CANA]* 60
Currency Unchanged for 2d Week, Stable for 4 *[CANA]* 60

Further on Central American Presidents' Summit

Venezuelan President Arrives

PA1607232491 San Salvador Radio Cadena YSKL in Spanish 2058 GMT 16 Jul 91

[Speech by Venezuelan President Carlos Andres Perez upon arrival at the Ilopango Military Airport in San Salvador—live]

[Text] Dear Salvadorans: It is a great pleasure for me and my fatherland, Venezuela, to be here in this brotherly nation of El Salvador on the occasion of the 10th Central American Summit. I have been here before, honored by a special invitation of President Cristiani. At that time, I had the opportunity to talk with all the active groups of this country. Today, I will have the privilege of participating in this Central American summit. Your words, President Cristiani, speak the real truth of our Latin America. I feel at home, because Salvadoran bread and homes are ours just as much as Venezuelan bread and homes are yours.

We are waging a relentless struggle for integration, and that is why I am here. I am here to bring specific proposals that prove our determination to achieve integration, without compromising anything and understanding the roles to be shared by countries such as Venezuela and the Central American nations.

However, I agree with you when you say that these extraordinary efforts that are being made for the first time in our Latin America and are advancing in all regions from Tierra del Fuego to the Rio Grande are being interrupted by such sad circumstances as those taking place in El Salvador.

We are making strong efforts that are binding us as Latin Americans and Caribbeans for the sake of peace in El Salvador. We have spoken in a cordial manner with the government and the sectors involved in this sad process that has been going on for over 10 years. We have suffered this as if it were occurring in our very own country [10-second break in reception] when we have received from one or another party the answer we think is correct and necessary for establishing reconciliation in this land that has suffered so much.

We will not yield in our efforts, and I want to tell President Cristiani that I am fully aware of the efforts made by his government. I also want to tell the FMLN [Farabundo Marti National Liberation Front] that I am also aware of its efforts. However, at this time this absurd war is useless. War is always absurd, and this war being waged between Salvadoran fellow countrymen is useless. The time is here for peace and not for rest. This is the time to work on these efforts that are being made in El Salvador this is the time to hold these Central American summits in order to set the bases for fatherlands with social justice. Through integration we will wage the efforts and find the resources to eliminate the injustices that hurt us so much, not only in El Salvador or Central America, but in all countries of Latin America.

It is not with bullets, but with words and with persuasion and the civilized intelligence of democracy that we can solve these serious problems affecting us. Therefore, Mr. President, today I am deeply touched to be here because my heart also feels for your sufferings. I am moved because at this time, a meeting is being held that tells us that in the face of the unnecessary and absurd war, there is the resolve of the Central American peoples to achieve peace, progress, well-being, and social justice.

From this airport in San Salvador, I want to greet all Central American people. I will very shortly have the honor and satisfaction of embracing in a fraternal manner the presidents of these fatherlands that represent Central American will and sovereignty.

From this point, I say that I am sure this meeting will be successful and satisfactory for both peace in Central America as well as for the efforts to continue with the process of integration and the process of creating solid, definite, and permanent bases for the development and wellbeing of these peoples, particularly, for the Salvadorans, who have suffered so much.

Mr. President: Thank you very much for your sincere words. Rest assured that I am your faithful and determined collaborator in the programs for Salvadoran peace and reconciliation. Thank you.

Cristiani Holds News Conference

PA1607200891 San Salvador Radio Cadena YSKL in Spanish 1800 GMT 16 Jul 91

[New conference by Salvadoran President Alfredo Cristiani with unidentified reporters outside the Presidente Hotel in San Salvador—recorded]

[Text] [Cristiani] [Words indistinct] today the draft Declaration of San Salvador because the document will be reviewed this afternoon. We only had the opportunity to give it a cursory glance with the foreign ministers at approximately 2000 yesterday evening, but we hope that the document will be completed today.

[Reporter] [Question indistinct]

[Cristiani] We briefly discussed the issue, but the other presidents [words indistinct]. I would not like to comment on the issue.

[Reporter] Mr. President, referring to the dialogue process, Dr. Oscar Santamaria has said that little progress has been achieved, given the FMLN's attitude during the latest round of talks.

[Cristiani] If Dr. Santamaria, who is the spokesman on dialogue issues, said this....

[Reporter] What is your position on (the cease-fire)?

[Cristiani] We obviously deplore the fact that the FMLN [Farabundo Marti National Liberation Front] insists on delaying the cease-fire. We think it is completely unnecessary to continue with violent actions, and the cease-fire has not been achieved due to an internal problem within the FMLN.

[Reporter] Mr. President, [words indistinct] pressure from international organizations like AID?

[Cristiani] That is absolutely false. The decisions are freely adopted and they reflect what the presidents believe is best for their countries. No one exerts pressure.

[Reporter] Mr. President, do you continue to endorse the thesis that it is necessary to [words indistinct] guerrilla forces to reduce the size of the armies?

[Cristiani] A country that faces an internal conflict must obviously have an armed structure that differs from one that should exist in a country that does not have an internal conflict. As far as the Salvadoran case is concerned, you are certainly aware that the Salvadoran Armed Forces would be reorganized, qualitatively and quantitatively speaking, once the conflict ends.

[Reporter] The guerrilla groups claim [words indistinct] the war?

[Cristiani] That is what they have been saying since 1980, and I think it is quite evident that the FMLN is still a radical minority group that has no support in our country.

[Reporter] [Words indistinct] today issued an appeal to the Central American presidents, urging them to strive for negotiation in El Salvador or the economic integration would never succeed.

[Cristiani] I think it is the FMLN that should work to facilitate the process because it has ruled out in advance every possibility of ending the conflict.

[Reporter] The Honduran proposal for a Central American security treaty does not seem to be widely accepted here.

[Cristiani] It has not reached our level. It is being discussed by the foreign ministers.

'Controversial' Honduran Proposal

PA1607221891 Mexico City NOTIMEX in Spanish 2012 GMT 16 Jul 91

[Text] San Salvador, 16 Jul (NOTIMEX)—The security proposal presented by Honduran President Rafael Callejas has been the most controversial topic of the Central American summit, a member of one of the attending delegations told NOTIMEX today.

According to the draft of the "Declaration of San Salvador," the "Draft Central American Security Treaty" will not be signed by the presidents during the meeting, but its future adoption is considered "an international instrument on regional security."

It was emphasized that the Honduran initiative "is compatible" with the peace commitments that the presidents have made since they began the regional pacification process known as "Esquipulas II" in 1987.

The source pointed out that the proposal was rejected by Guatemala and Costa Rica as they believe it "represents a step backward" in the progress made by the Security Commission, which includes five countries and which has the responsibility of verifying, controlling, and restricting military arms and troops.

"The Security Commission has made significant progress that would be delayed if the Honduran treaty is accepted," the diplomat said. He insisted that "the only topic that has caused discrepancies and harsh discussions" during the work sessions has been the Honduran document.

On their part, other sources pointed out that although in this summit "there are no disputes between one country and another, there are disagreements between the economic sector and the political sector."

The Honduran document proposes the establishment of a system of coordination between the Armed Forces or the security forces of the region, and it proposes a series of "measures to promote confidence among the Central American states."

The regional treaty proposes that during the first six months of each year, all parties present a report on their armed institutions, their organization, military installations, armament, materiel, and equipment.

Callejas Threatens To Leave

PA1607202591 Guatemala City Teleonce Television in Spanish 0400 GMT 16 Jul 91

[Report by Rodolfo Flores and Pedro Yax from San Salvador—live]

[Text] [Flores] Good evening Guatemala. This is Pedro Yax and Rodolfo Flores in San Salvador, where we are covering the 10th presidential summit. We want to report that the Central American presidents' first meeting has just ended. The presidents met after the inauguration ceremony at 1500. We must remember that El Salvador is one hour behind Guatemala's time. In other words, it is 2119 here and 2220 in Guatemala.

Well, the first meeting just ended and some information has leaked out—everything is being done in secret. The foreign ministers who had prepared the agenda apparently did not take into consideration a proposal presented by Honduran President Rafael Leonardo Callejas, who has said that it is necessary to reduce the Central American armies in order to achieve the much hoped for peace in the area. As we said, the foreign ministers apparently did not take the proposal into consideration

and the Honduran president found this out when the first meeting started at 1500.

It was leaked that this resulted in a bit of friction and the Honduran president said that none of the other points dealing with important economic and political issues, including the creation of the Organization of Central American States, would be discussed either. He threatened to leave if the issue of reducing the armies in Central American was not discussed. We are now waiting for the presidents to come out because we know that the meeting has ended; however, they are still inside. The meeting was supposed to have ended at 2000, it is now 2130, and there is still no information. This is the report for the time being, Guatemala.

[Unidentified station announcer] Rodolfo, it was predicted that the presidents of Guatemala and El Salvador would oppose this type of initiative. Is there any information on the Guatemalan delegation?

[Flores] Yes, President Serrano was interviewed this afternoon and he said that he hoped the issue would be included on the agenda. He revealed nothing about Guatemala's position, but he said that the issue must be discussed during the Central American presidents' meeting.

[Unidentified station announcer] In other words, Serrano was not opposed to including it and he is willing to discuss it?

[Flores] Yes. He implied that if the point was included in the agenda, then they would discuss it. He did not seem opposed to discussing the point, although he did say that it was necessary to seek a consensus because two countries are immersed in a conflict and three others are not.

[Unidentified station announcer] Is it believed that the three other countries will approve some kind of resolution endorsing this issue?

[Flores] Yes, Nicaraguan President Violeta Barrios de Chamorro said she endorses the reduction of the Nicaraguan Army...[corrects himself] the Central American armies, and Costa Rican President Rafael Angel Calderon said the same upon his arrival at Ilopango Air Base this morning. In other words, these three countries will probably...[corrects himself] it is taken for granted that these three countries favor a reduction of the Central American armies.

[Unidentified station announcer] Are there any predictions about the reaction from the Salvadoran delegation, which might be one of the countries most affected by this decision?

[Flores] This has been the most reticent delegation so far, because Cristiani is the only president who has yet to issue a statement. Therefore, it is taken for granted that since it is the host country, its delegation will be the most reticent. We will see what happens in the meeting. As I said, the meeting just ended and we are waiting to see what happened.

[Unidentified station annnouncer] Well, thank you, Rodolfo.

Panama, Costa Rica Accord

PA1707021291 San Salvador Radio Cadena YSKL in Spanish 2312 GMT 16 Jul 91

["Text" of bilateral agreement signed on 15 July by Panamanian President Guillermo Endara and Costa Rican President Rafael Calderon; agreement is read live by the Costa Rican president at the Presidente Hotel in San Salvador]

[Text] This is an agreement on protected border areas.

Considering:

1. The need to establish regional mechanisms for economic integration and cooperation for the use of the isthmus environment, based on the close interdependence of our countries;

2. The need to protect and conserve natural regions of esthetic and historical value, and of scientific importance, which represent unique ecosystems of significance to the world and have the potential of providing options of sustained development to our societies;

3. The existing relationship between conservation and sustained development, reaffirming the decision to vigorously handle the preservation, recovery, restoration, and rational use of our ecosystems, including threatened fauna and flora species;

4. That to improve the quality of life of the peoples of the isthmus it becomes necessary to foster respect for nature and promote the search for peace and the sustained use of natural resources;

5. That to guarantee sustained development and the establishment, management, and strengthening of protected areas, the propagation of essential ecological processes and rural development play a major role;

6. The interest and political commitment that exist to implement projects for the rational and sustained use of natural resources, with due respect to the sovereign rights of every country, to preserve biological diversity, and to improve the living standard of local communities and the peoples of both countries, in general:

The governments of the Republic of Panama and the Republic of Costa Rica agree to:

1. Declare the region included in the Parque de la Amistad as a project for the conservation of the environment and economic development of the utmost priority for both countries;

2. Request the Central American Commission on the Environment and Development to conduct, in coordination with the corresponding authorities in our respective countries, the necessary studies and efforts to implement and develop this agreement;

3. Request scientific and conservationist community, in our countries and abroad, as well as countries and international organizations, to provide the technical and financial support to promptly implement this agreement.

Signed in the city of San Salvador, Republic of El Salvador, in two equally valid texts, on 15 July 1991. Signed by Guillermo Endara Galimany, president of the Republic of Panama; Rafael Angel Calderon Fournier, president of the Republic of Costa Rica.

Guatemala, El Salvador Trade Accord

PA1707022491 San Salvador Radio Cadena YSKL in Spanish 2316 GMT 16 Jul 91

["Joint declaration" between Guatemala and El Salvador, signed at the Presidente Hotel in San Salvador; read by Guatemalan President Jorge Serrano—live]

[Text] Joint declaration issued by the Governments of Guatemala and El Salvador:

On the occasion of the 10th summit of the presidents of Central American and Panama, which was held in San Salvador, El Salvador, by Jorge Serrano Elias, and:

Considering the commitments made in the Central American summit's declarations to restructure, strengthen, and reactivate the process of regional integration, in order to establish economic integration;

Reaffirming that our peoples and governments have maintained close ties and are prepared to achieve major progress in the field of integration, prompted by the spirit of the Economic Action Plan for Central America, PAECA;

Recognizing the efforts our countries have been making to have free commercial exchange by eliminating most of the obstacles that stand in its way, within the framework of the general treaty for Central American economic integration, which makes it necessary to adopt the appropriate action actions to achieve greater levels of integration;

Jorge Serrano Elias, president of the Republic of Guatemala, and Alfredo Cristiani, president of the Republic of El Salvador, resolve:

To commission the appropriate authorities in our countries to draft within 90 days a proposal to establish a totally free trade zone and submit options to attain economic unity between both countries;

Issued in San Salvador, El Salvador, on 16 July 1991.

[Signed] Jorge Serrano Elias, president of the Republic of Guatemala; Alfredo Cristiani, president of the Republic of El Salvador.

Nicaragua's Lacayo Interviewed

PA1607235791 Managua Radio Nicaragua Network in Spanish 1855 GMT 16 Jul 91

["Exclusive" interview with Nicaraguan Presidency Minister Antonio Lacayo by a Radio Nicaragua reporter at the Presidente Hotel in San Salvador—live]

[Text] [Reporter] The government of President Guillermo Endara announced yesterday night that he had made a request to have Panama return to the community of Central American countries. What is your opinion on this?

[Lacayo] It seems that as Panama expresses its desire to join the Central American region and to participate in the economic integration, there are more hopes of having a united Central America, at least in economic terms. We believe that Panama has an interesting market, which can be (?complemented) with the Central American markets. Up to now it has been like an (?island) for the Central American countries. The Central American people wi" obviously benefit when Central America becomes a single market. They will benefit from what we call a [word indistinct] economy. Factories will be able to have a greater volume of production. They will produce larger quantities at a lower cost per unit. This will benefit the entire Central American region and I believe it is a positive thing. It is a move in the right direction. It is a good thing to have a united Central America, at least in economic terms.

[Reporter] During a news conference, President Violeta Chamorro insisted that the Central American region should move in the direction of disarmament and a reduction of armies; however, both the Salvadoran and Guatemalan Governments have said that because of the current situation of violence in their countries, it is not possible to reduce their armies. Will Nicaragua continue to uphold this position?

[Lacayo] Definitely. Mrs. Violeta has said that she wants Central America to reduce its military apparatus so that its resources can be used to strengthen the areas of health and education; however, she has said that she respects the positions of each country. She will not be meddling in the sovereign decisions of Guatemala, El Salvador, Honduras, or whoever it may be. In our case, however, the process for the reduction of the military apparatus in Nicaragua has continued throughout 1991. We have even been able to reach, by the middle of the year, the goals we had set for the entire year, which was to reduce our Army from 28,000 to 25,000 men. We will be making more progress and we hope to end the year with fewer men in the Army. But, as Mrs. Violeta has said, we have to guarantee that every man that retires from the Army can have the necessary means to begin a new life. It is not a matter of [words indistinct]. This process will continue in Nicaragua because we have to [words indistinct] and now that we Nicaraguans have attained a firm and solid peace, our military apparatus should conform

to the new situation of peace. [Words indistinct] Nicaraguans what they need, which are: jobs, health, education, and we hope that we can [words indistinct].

[Reporter] The Governments of El Salvador and Honduras, where President Rafael Callejas has brought a security proposal for the region. [sentence as heard] There is much talk of reestablishing the ODECA [Organization of Central American States]. What is the opinion of the Nicaraguan Government?

[Lacayo] The ODECA has no relation to this security commission. The ODECA is a permanent (?secretariat), evidently political, for the implementation of the agreements reached by the presidents in matters of integration as well as economic matters. The Honduran proposal in matters of security is really not linked to the reactivation of the ODECA. They are two different things. I understand that the presidents want the initiative to be studied by the current Security Commission, which is comprised of the Central American deputy foreign ministers [words indistinct].

[Reporter] What will happen to the Central American Parliament?

[Lacayo] The Parliament is a different topic as well. An agreement has been reached to extend the deadline so that the countries that do not yet have a representative at the Parliament can choose their representatives within a 36-month period beginning on the day [words indistinct]. Nicaragua and Costa Rica have not yet chosen their representatives to the Parliament. When the elections were held in Nicaragua, there were no tickets to elect these representatives. [Words indistinct] 24 months to be able to hold the elections. [passage indistinct]. Once the Parliament starts operating, possibly by the end of this year, we will have 36 more months to hold the elections, both in Nicaragua as well as Costa Rica.

[Reporter] There has been a great deal of anticipation at this summit regarding the issue of the Salvadoran guerrillas. Has this been discussed during the summit? And what will Nicaragua do to help Salvadorans attain peace?

[Lacayo] We have been cooperating with the Salvadoran peace effort for several months. We have been saying this for months. When President Chamorro assumed the presidency last year, she spoke clearly to the Farabundo Marti National Liberation Front (FMLN) representatives. She said that in our territory they could engage only in political and diplomatic causes, not in military matters." This policy of the government of Violeta de Chamorro became evident after the so-called missile crisis last December. At that time, the authorities discovered that members of the Nicaraguan Army, in conjunction with some members of the FMLN, had sent war materiel to the rebels. As soon as the government and the Army learned this situation, we talked with the leaders of the FMLN [words indistinct] return the stolen supplies to the Army depot. The soldiers who participated in this operation actually ended up in jail. The supplies were later returned to the Army depots in early February.

This has permitted the Nicaraguan Government to maintain contacts with the FMLN leaders. We have been guiding them so as to attain a negotiated settlement with the Salvadoran Government.

The message from the Nicaraguan Government to the rebels has been that just as Nicaragua managed to attain peace—we are now working on the reconciliation—the Salvadoran people must also attain peace. They should go from the military to the political struggle. The FMLN should become a political party to struggle, just as any other political party, for its objectives.

I think that the use of weapons and violence against a popularly-elected government such as that of President Cristiani is no longer justified, after the Central American presidents signed the Esquipulas Agreements. This is a serious commitment to establish democratic governments in the Central American nations and to end violence, which has destroyed Central America for more than 10 years.

We feel that in this summit, as Violeta Chamorro has said, Nicaragua is willing to do whatever is necessary to attain peace in El Salvador. There has not been any official complaint by the Salvadoran Government against the Nicaraguan Government. We have brought here a small but very representative delegation of the Nicaraguan military authorities, including Colonels Carrion and Rosales. They are willing to talk to the Salvadoran authorities. However, there has not been any specific demand against Nicaragua. There have been news reports but no official complaints against [words indistinct].

[Reporter] On the other hand, [words indistinct] summit of the economic integration. What will be the benefit to the Nicaraguan people and government as a result of this type of integration?

[Lacayo] The European experience is very clear. In an integration process between countries which are more developed and others less developed, the countries which are less developed receive the largest benefits. The case of Spain should be pointed out. After Spain joined the EEC, its economy grew very rapidly. [Words indistinct] the European market. Today, Spain is one of the three countries with the largest (?reserves).

We feel that Nicaragua, which is nowadays the most backwards country in Central America, has the opportunity to receive the benefits of the integration process. Why? Because we are determined to look for large markets for our products. We know that in Nicaragua most peasants, the cooperatives, the demobilized National Resistance fighters who are today working the land, peasants from different regions, and large producers have the opportunity to find a very large market

in Central America. For example, we see that the need for corn in Guatemala, El Salvador, Honduras, Costa Rica [words indistinct] compared to ours. Many of these countries import corn from the United States. In the measure that we can provide them with corn, we will be giving Nicaraguan peasants an opportunity to sell their crops. We have a similar situation in the case of the bean market. The Central American countries import beans from Argentina or the United States. We can supply them with beans perfectly well.

In addition, we would have to open our economy to the Central American products. However, in this case, our payment capacity would pose a difficulty [words indistinct]. We would receive the benefits of competence. We are fully convinced that Nicaragua has a lot to win in an integration process, not only with Central America but also with Mexico and the United States. This is why the government of Violeta Chamorro has supported the integration of Central America with Mexico and Venezuela. Venezuela will sign today a free trade agreement with the Central American countries after the arrival of President Perez [words indistinct].

[Reporter] It has been said here that a cooperation agreement will be signed by President Carlos Andres Perez and the countries of the region. Will he meet with President Chamorro [words indistinct]?

[Lacayo] Well, President Perez has always been very (?receptive) toward Nicaragua. I imagine that he would be interested in seeing the progress made in Nicaragua since he met with President Chamorro last time. For our part, we are interested in meeting with him [words indistinct]. For example, what products can we sell to Venezuela? What would they be interested in? We are interested in the possibility of receiving greater assistance from Venezuela. This is one of our needs.

With that we want to promote an energy project for Nicaragua to integrate in the future our energy system, that is, among Venezuela, Colombia, and Mexico. We think our thermal energy offers great potential, and we can exploit this potential for the benefit of Central America, and the crude to export, [words indistinct] for countries like Venezuela and Mexico. This project requires a linkup that does not exist today, and Venezuela is very interested in promoting it.

We are going to discuss the matter because it can accelerate loans that foreign companies may grant to support the (?development) of Nicaragua.

[Reporter] As for the [words indistinct] in Guadalajara, Mexico, [words indistinct] of presidents. What will Nicaragua achieve? [Words indistinct] what Nicaragua can achieve. What do you hope to achieve from the meeting in Mexico?

[Lacayo] The government wants to extend to the entire American Continent this spirit of democracy, peace, and reconciliation that we Nicaraguans have. We believe that Latin America is moving in that direction. We must respect those processes, and we must [words indistinct] to see how we can provide to our peoples peace, justice, and economic progress, in addition to democracy. The big challenge facing Latin America now is economic progress. We are a wealthy region of the world, and yet we are backward. Why are we backward? That is part of the discussions that will be held in Guadalajara; namely, what can we do together to upgrade our people's living standard in the future? That is among the issues that will be debated.

Nicaragua will also bring to the fore a case that chiefly deals with this [word indistinct]. Although the debt accumulated by Latin American countries is not big, we want the summit to serve as a sounding board so that the Venezuelan and Mexican loans to Nicaragua [words indistinct] the foreign debt may be used by our neighboring countries, specifically, the [word indistinct] industrialized countries that are meeting in London, to which Nicaragua [words indistinct]. We wish those countries would treat our debt the same way that Mexico and Venezuela treated the debt we owed them. In other words, we want to show how serious the Nicaraguan economic situation is. We want to bring this out so we can get more aid from Latin American countries. We hope this will have an impact on the wealthy nations, which [words indistinct] to ease the burden Nicaraguans are shouldering.

[Reporter] The Spanish king and Portuguese leader will be there, and Cuban President Fidel Castro will be there too. [Words indistinct] the United Nations and the OAS?

[Lacayo] I think discussions will be held. [Words indistinct] formal meetings, but there will be bilateral discussions. We are certainly interested in talking to Mexican authorities [words indstinct]. Right now, (?the Spanish Government) is helping us with stopgap loans to pay on 29 August the foreign debt that is in arrears. We are a little behind our payments with Spain, and we want to take advantage of the Guadalajara meeting to hold top level meetings to perform the operations that Spain must [words indistinct]. We want to talk to all the chiefs of state, including Fidel Castro. I think, as Mrs. Chamorro has said, Cuba cannot remain apart from this march toward democracy taking place in Latin America. I personally feel that all revolutions, like the one in Nicaragua, must promote free elections and engage in participative and pluralist processes, like the one we have in Nicaragua. Cuba has the opportunity to do so before the revolution is destroyed. If it remains closed in on itself, it runs the risk of turning into a thing of history, and will not (?have a future).

I think Nicaragua has given [passage indistinct] Nicaragua is consolidating its democracy and stability. The Cuban Government must take this process into consideration.

[Reporter] Would you like to add anything from San Salvador?

[Lacayo] Greetings to all Nicaraguans listening to me. The Nicaraguan delegation, headed by Mrs. Chamorro,

is attending a series of meetings prompted by the desire to attain what is best for Nicaragua and all Nicaraguans. This thought is always in Mrs. Chamorro's heart.

Joint Stand in Guadalajara Announced

PA1607225891 Mexico City NOTIMEX in Spanish 1951 GMT 16 Jul 91

[Text] Santa Fe de Bogota, 16 Jul (NOTIMEX)—The countries of Central America will take a joint position to the Ibero-American summit which begins this coming Thursday in Guadalajara, Mexico, Panamanian President Guillermo Endara told Radio Caracol today.

In a telephone interview from El Salvador, the Panamanian president said that at the meeting, which will gather 24 chiefs of state and government, the Central American countries will promote once more the unity among the Latin American countries, Spain, and Portugal.

He said that the position to be taken by the Central American bloc to the Guadalajara summit has been the topic of the meeting being held in El Salvador and he added that during this meeting, Panama "has stopped being an observer country to actively and fully join the integration process of the area."

Regarding his country's struggle against narcotrafficking, Endara said that the Panamanian authorities have increased their efforts to fight drug trafficking and to exercise more control over money laundering from illegal businesses.

"We have come to the conclusion that narcotrafficking is not an activity that can be confronted alone by any one country, but must be fought internationally to guarantee a successful struggle," the president added.

He said that the approval of the Mutual Legal Assistance Treaty by his country's legislature does not seek an opening of bank accounts, but a serious and specific investigation of facts realated to narcotrafficking, money laundering, or illegal activities.

Endara stressed the Colombian antidrug policy and explained that his government will support President Cesar Gaviria in whatever measures it takes to struggle against that plight. "Everything that the neighboring country decides will be respected, because we are brothers in this struggle."

Gaviria issued last September several decrees which guarantee nonextradition and reduce sentences for drug traffickers who surrender voluntarily to the national authorities.

Presidents on Panama Integration

PA1607204791 Panama City ACAN in Spanish 1654 GMT 16 Jul 91

[Text] San Salvador, 16 July (ACAN-EFE)—Costa Rican President Rafael Calderon stated today in San Salvador that the Central American presidents have expressed their satisfaction with Panama's decision to integrate into the region.

Calderon added: "We had been expecting this move since the Antigua, Guatemala summit (in June 1990), and there has been a consensus in the region to have Panama as part of Central America."

Panama's incorporation is one of the first achievements with respect to integration of the Central American countries attending the 10th summit, which began on 15 July and will end on 17 July with the signing of the San Salvador Declaration.

The integration of Panama into Central America was announced last night by Guillermo Endara, president of Panama.

Presidents News Conference

PA1707035791 San Salvador Radio Cadena YSKL in Spanish 2320 GMT 16 Jul 91

[News conference by Central American and Panamanian presidents with unidentified reporters and unidentified moderator in the Cuscatlan Room of the Presidente Hotel in San Salvador—live]

[Text] [Reporter] First, I would like to ask President Endara: Why did Panama wait until now to join Central America?

[Panamanian President Guillermo Endara Galimany] I think I should start with a saying: Better late than never. Panama has always felt geographically a part of Central America. After our struggle for democracy and liberty, when we received incredible support from our Central American brothers, we feel more united than before. After having been invited to the first summit that I attended, which was in Guatemala, we have been studying and analyzing in Panama our active participation, not only as a mere observer.

A commission which I appointed, which represents all the economic groups of the country and the government, recommended that I take steps to actively participate in the Central American integration process. The Cabinet Council unanimously approved Panama's participation in the integration process.

We know that some difficulties lay ahead, but the obstacles were made to be overcome. With the enthusiasm that I perceive from our Central American brothers, we are confident that we will soon catch up with them.

[Moderator] These were the statements of Panamanian President Endara explaining Panama's adherence to Central America. We continue with the news conference.

[Reporter] [Question indistinct]?

[Moderator] Next, the Costa Rican president will respond to a question on the sum of money available for ecological projects in Central America.

[Costa Rican President Rafael Angel Calderon Fournier] For over 70 years, we have never been as united as we are now. Being united in so many ways, it was logical that we joined efforts in the pursuit of a new international ecological order. It was necessary to unite our efforts by also creating the environment and development commission, aware of the fact that we must get support and assistance from the rest of the world to protect the environment.

Costa Rica and Panama have reached bilateral agreements creating a freedom park. A border area which has been declared a national park on the Panamanian and Costa Rican sides of the border has been called the Freedom Park. We managed to create a similar park between Costa Rica and Nicaragua. President Violeta Chamorro and I signed an agreement creating a park called Yes to Peace, which is located on the southern region of Nicaragua and the northern region of Costa Rica.

We understand that our countries are poor and have few economic resources. However, part of our project is to convince the developed world, that is the rich countries, about their responsibility in preserving the planet. The planet belongs to all of us, not just the industrialized world or the developing countries.

The declaration made by Panama and Costa Rica at this time is aimed at urging the industrialized world to supply resources to the poor nations, like ours, which are determined to preserve the environment and guarantee the citizens of tomorrow a better quality of life.

[Reporter] [Question indistinct]?

[Moderator] Next, the Costa Rican president will answer a question on Costa Rica's failure to join the Central American Parliament. Let us hear the response by the Costa Rican president.

[Calderon] Since the very moment that the then President Vinicio Cerezo of Guatemala launched the idea of creating the Central American Parliament, it was favorable. I believe in a forum for Central American dialogue. When I was foreign minister more than 10 years ago, I sought to have a permanent forum between the Central American foreign ministers. In all these years that I have been politically active, I have always tried to maintain close relations with leaders struggling for democracy in Central America and ties with all the democratic groups of our Central American isthmus.

I have kept that policy as president. Now, I must respect the Constitution of my country, which states that the treaty on the parliament must be ratified by two-thirds of the congress. We are striving to get the 38 votes in the Legislative Assembly. The decision will ultimately be up to the Legislative Assembly, which is sovereign. What we signed today especially favors three countries that in in one way or another had some problems in joining the parliament. In Panama's case, the aforementioned document allows it the possibility of signing the treaty. Moreover, now that the deadline has been extended 36 months, it will not have to immediately call elections to pick the deputies to this parliament.

This means, Panama can hold these elections at the same time as its general elections. The same thing applies to Costa Rica with the extension of the deadline. We will have elections in 31 months, and so we will be able—provided the Legislative Assembly ratifies the parliament—to have elections to pick deputies to this forum on the same day of the general elections, thus avoiding a costly election process at this time when we are in need of great national unity to face our domestic crisis. In addition, Nicaragua's political forces have reached an understanding to hold elections within 2 years to pick their deputies to this forum. Yes, you are right in saying this protocol is custom made; but it does not refer to one specific country but to three. It also allows the appointment of observer deputies to the parliament. Since Costa Rica signed the agreement but has not ratified it, we will be able to send the first observers. These observers will clear the way toward getting those 38 votes needed, or two-thirds, in the congress, which is the hope of those of us who believe that the inhabitants of this small piece of land in this big world in which we live must draw closer together.

[Moderator] That was Costa Rican President Calderon, and here are more questions.

[Reporter] This is a question for President Alfredo Cristiani. Although it was suggested that we should focus on the protocols signed today, President Cristiani mentioned that the situation in Central America that served as a catalyst for the Central American summits no longer exists. One gets the impression that that catalyst was the region's political instability and armed conflicts. However, you said at the end that the best antidote for war is development. Specifically, where is the stress placed in the declaration you are about to sign or in the work sessions that you have held to overcome the problem of violence in the region? Where do the topics to achieve social development and raise the people's living standard go?

[Salvadoran President Alfredo Cristiani] The Central American summit stated that this process basically begins with a political crisis that existed in the area countries. Although not all the countries were immersed in the crisis that existed in other countries, all the area's countries were touched by it. That is why it was decided to begin this process. It is obvious that the political crisis in Central America has taken the right course. There has never been any attempt to say that all the political aspects have been taken care of.

However, the state of political solutions in Central America is so advanced that it also allows us to go into new topics such as the economic and social development

of our respective countries. The stand of the presidents has been that of searching within our own unity for that development factor that will allow levels of greater wellbeing for each and every one of the Central American peoples.

We believe, and we were saying, that development is the antidote to violence. By violence, we must not think this only means bullets and bombs. All types of violence are taking place in Central America. Societies confront each other in Central America, yet they do not have a strictly warlike situation. However, it is necessary that there be adequate levels of development so that justice and social development will also advance along the same path where there is this social confrontation that might be more prevalent in some countries and less in others.

To that effect, I believe very serious efforts are being made by each and every one of the Central American countries to seek paths of development. These meetings serve so that we can all help each other by establishing an integration that will allow that development to be even more dynamic. As we join efforts, development will be more productive and that will bring about greater social development, which is what we all want.

[Santis] I am Fernando Santis, of Notisiete de Guatemala. President Serrano Elias: You have spoken of free trade in the Central American area. What are the areas included in that free trade?

[Serrano] We have signed a total free trade agreement with President Cristiani. I believe that is the hope that we Central Americans have had for many years. I would like to congratulate President Cristiani for this successful meeting in El Salvador, and at the same time I want to congratulate him for that Central American spirit, for the courage he has had so that we could all get together and achieve such a substantial step such as signing a total free trade treaty.

Naturally, we must work very hard. Our teams must reach agreements so that we will not affect our economies, but rather complement and strengthen them. I believe this is a positive beginning that takes us back to where integration was perhaps 20 to 22 years ago. We hope that this first decision on such an agreement will serve as an experience and basis for future agreements of this nature.

Naturally, as Guatemalans and Central Americans we are hoping we will not stay only in the fields of free trade and common market. We want to go beyond the integration of our peoples so that we can complement each other, help each other, solve our problems, and prepare ourselves for an integration that is being forced by the new circumstances in which the world is experiencing.

Europe is uniting, the giants of Asia are also uniting, and Central America either becomes strengthened by increasing and modernizing production, industrial recovery, and so forth, or we will have many problems and always be impoverished. I believe that this agreement we have signed today with President Cristiani opens a great window of hope, at least for our peoples, and represents for both nations a great challenge in which both of us are going to do our share of sacrifice, but with the certainty that we will be obtaining a great advantage for the future of our peoples.

[Moderator] We will have one last question for the Central American presidents.

[Reporter] Why was the protocol only signed between El Salvador and Guatemala if the five Central American countries and Panama are participating in this summit?

[Serrano] I believe that in matters of free trade, we always have the possibility of strengthening the economies that have had closer ties. In this regard, the protocol made it clear that at no time is the signature of a bilateral agreement—and I want to emphasize this now—detrimental to the multilateral agreement we hope to sign. I believe there are other agreements that will be signed tomorrow and that will probably clear up certain situations. There are other countries that are perhaps not as prepared and do not believe it is advisable to take the initial step. However, I believe that in the case of Guatemala and El Salvador, as everyone knows, there is a very dynamic trade relationship between the two countries. This is obviously because of their geographical position and the communication that has existed between both countries, which allows them to take the step before other countries.

I would like to stress once again that this bilateral agreement should not be taken out of the context of what we want. The integration process can take place in various ways. Agreements can be reached by all countries in small, individual matters or they can be reached through the signing of bilateral agreements that can be multilateralized little by little as more comprehensive agreements are reached. We believe El Salvador and Guatemala were ready for something more comprehensive and we want to multilateralize this as the other countries become ready. I believe this agreement is part of the process and that is why we are signing it here in this meeting so there is no confusion. People should not be led to believe that Central American integration is being broken. This is actually part of the Central American integration process.

Treaty Protocol Signed

PA1707015391 San Salvador Radio Cadena YSKL in Spanish 2256 GMT 16 Jul 91

["Protocol" of treaty creating the Central American Parliament, signed at the Presidente Hotel in San Salvador by the Central American presidents; read by Salvadoran President Alfredo Cristiani—live]

[Text] The presidents of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua,

Considering: The importance of the integration of the Central American Parliament has for [word indistinct], with the broadest representation of the states that form part of it;

Considering: The agreements reached by the presidents of the congresses and legislative assemblies of Central America and Panama in their third meeting held in Managua, Nicaragua, on 9 and 10 May 1991;

Therefore, be it resolved that:

We agree to sign this protocol to the treaty creating the Central American Parliament [words indistinct] positive circumstances in the following terms:

Article 1. The deadline specified in Article 32 of the treaty for electing deputies and alternates for the Central American Parliament is extended no later than 36 months, as of the date of its installation. The elections will be done according to the electoral laws of each country.

Article 2. While the elections mentioned in Article 1 are held, the countries signing the treaty and the protocols will have the right to accredit up to 20 permanent observers to the Central American Parliament. The country's decision will be relayed to the Board of Directors of the Central American Parliament for the corresponding actions.

Article 3. The treaty creating the Central American Parliament and other political organizations in the protocols are open for the Republic of Panama to adhere to at any time. The instrument of adhesion must be presented to the Guatemalan Foreign Ministry, which will then send certified copies to the foreign ministries of the other nations.

Article 4. This protocol must be ratified by each state, according to the respective constitutional provisions. The instruments of ratification will be presented to the Guatemalan Foreign Ministry, which will then send certified copies to the Foreign Ministries of the other nations.

Article 5. This protocol will take effect eight days after the third instrument of ratification is presented. Once the protocol is in effect, a copy of the same will be sent to the UN General Secretariat for registration, as specified in Article 102 of the UN Charter, and to the OAS General Secretariat.

This protocol is part of the treaty creating the Central American Parliament and other political organizations in six authentic copies and it is signed in San Salvador, Republic of El Salvador, on 16 July 1991.

Declaration on Integration Bank

PA1707044891 San Salvador Radio Cadena YSKL in Spanish 0318 GMT 17 Jul 91

["Joint Declaration" signed by the Central American presidents and Venezuelan President Carlos Andres Perez in San Salvador on 16 July—read by announcer]

[Text] Considering the bonds of friendship and cooperation that have traditionally existed between the Central American and Venezuelan Governments;

Considering the importance of the Central American Bank of Economic Integration, BCIE, as the main financial organization of the Central American integration process;

Considering the the importance for Central America of the incorporation of the Republic of Venezuela into the BCIE, and its impact on the social and economic development of Central America;

Convinced that the projects financed by the BCIE will contribute in an effective manner to the economic and social strengthening of Central America;

The Governments of the Republics of Venezuela, Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica express their satisfaction over today's signing of the agreement whereby the Republic of Venezuela has joined the BCIE.

The present joint declaration is signed in the city of San Salvador, Republic of El Salvador, on 16 July, 1991.

[Signed] Carlos Andres Perez, president of the Republic of Venezuela

Alfredo Cristiani, president of the Republic of El Salvador

Violeta Chamorro, president of the Republic of Nicaragua

Jorge Serrano Elias, president of the Republic of Guatemala

Rafael Leonardo Callejas, president of the Republic of Honduras

Rafael Angel Calderon, president of the Republic of Costa Rica

Spain's Foreign Minister Comments on Cuba

PA1607155791 Mexico City NOTIMEX in Spanish 1432 GMT 16 Jul 91

[Text] Madrid, 16 Jul (NOTIMEX)—Spanish Foreign Affairs Minister Francisco Fernandez-Ordonez said here today that his country's wishes for Cuba "are the same as for the other sister countries of this continent: peace, work, progress, and liberty."

Fernandez-Ordonez said that King Juan Carlos and Spanish Prime Minister Felipe Gonzalez will tell this separately to Cuban Leader Fidel Castro at the Ibero-American summit scheduled to take place between 18-19 July in Guadalajara, Jalisco State (western Mexico).

The Spanish and Cuban leaders will take advantage of their participation in the Ibero-American summit, scheduled to take place for the first time in Guadalajara, to hold bilateral meetings with participating presidents and heads of state.

Fernandez-Ordonez told the press that "the Monroe Doctrine is history" and the United States "does not want to monopolize relations with their neighbors to the south."

"Proof of this is that when the United States launched its Enterprise for the Americas, U.S. President George Bush not only asked for Europe's participation, but Japan's as well," added Fernandez-Ordonez.

Fernandez-Ordonez left today for Guadalajara to take part in the summit, accompanied by the prime minister. King Juan Carlos and Queen Sofia will travel on their own, with a stopover in Cancun, Quintana Roo (southeast Mexico).

Mexico's Solana on Guadalajara Agenda, Cuba

PA1707030691 Mexico City NOTIMEX in Spanish 2254 GMT 16 Jul 91

[Text] Mexico City, 16 Jul (NOTIMEX)—The first Ibero-American summit will be a fundamental step in permitting Cuba to no longer be alienated, Foreign Secretary Fernando Solana Morales stated, noting that proof of this is the presence of President Fidel Castro at the meeting.

Interviewed following a news conference in which he announced details of the upcoming Ibero-American summit, the foreign secretary explained that specific problems of certain nations will not be broached at the event.

He noted that the importance of the Guadalajara meeting is the summit itself, which for the first time will bring together 23 chiefs of state and government and at the same time will allow for the establishment of an annual mechanism to analyze Ibero-American problems. He viewed the mechanism as an interlocutor for the Ibero- American bloc in the face of the European Economic Community, above all in moments of constant international changes which challenge the weak nations to develop quickly.

He explained that in this first meeting, specific topics will not be broached. This does not mean there will not be a well-structured working agenda that will include the social, economic, political, and cultural problems of the region.

"In this world of accelerated changes," he said, "it is important to strengthen international law so that the modernization of the economic, commercial, and political aspects will be carried out within the framework of respect for sovereignty and integrity of each one of the nations."

This, he said, is the concern of each and every one of the countries attending this summit and this is what led Mexico, Spain, and Brazil to draft a specific document that encompasses the concerns and aspirations of these peoples.

Regarding Ibero-American integration, he said that although it will not materialize in Guadalajara, it is imperative that each one of the nations realize that alone, they will carry little weight at world level, but as a bloc, the Ibero-American countries can have a great significance. "The international community cannot overlook a region of 460 million inhabitants whose gross internal product is 1.4 billion dollars," he said.

Regarding the agenda for the 1 and ½ working days of the event, he explained that they will discuss topics of economic development, the social situation in Ibero-America, education and cultural aspects, and international law.

The summit will be opened on Thursday by President Carlos Salinas de Gortari, who will welcome his guests and address a message to the international community. That same day each one of the presidents will deliver a speech and at 1000 hours the first session will begin. During this session, those present will discuss the economic development of the region. Later, the participants will review the social situation of Ibero-America and at 1335 will attend the inauguration of the Ibero-American Library.

In the afternoon, in a third session, the chiefs of state will discuss the topics of education and culture and will conclude the summit with reflections on the prospects of international law.

The first Ibero-American Congress will close on Friday night. Later, Jalisco Governor Guillermo Cosio Vidaurri will host a dinner for the guests.

The official Mexican retinue is made up of Secretaries Fernando Solana Morales, foreign relations; Pedro Aspe Armella, finance and public credit; Jaime Sera Puche, commerce and industrial development; Patricio Chirinos, urban developement and ecology; Manuel Bartlett Diaz, public education; and Jesus Kumate, health and public assistance.

Also included are Attorney General Ignacio Morales Lechuga; Jose Cordoba, director of the presidential coordination office; Victor Flores Olea, president of the National Council for Culture and Arts; and Alfredo del Mazo, general coordinator of the Ibero-American summit.

Solana Statement on Cuba Denied

PA1707032191 Mexico City NOTIMEX in Spanish 0219 GMT 17 Jul 91

[Text] Mexico City, 16 Jul (NOTIMEX)—The Foreign Relations Secretariat [SRE] denied tonight that Foreign Secretary Fernando Solana Morales had said that the first Ibero-American summit would be the fundamental step to permit Cuba to no longer be alienated.

An official spokesperson for the secretariat said that at no moment had Secretary Solana made such a statement during the news conference held on the occasion of the first Ibero-American summit to be held in the city of Guadalajara on 18 and 19 July.

President Menem Asks Bolivia To Join Mercosur

PY1007135691 La Paz Television Boliviana Network in Spanish 0200 GMT 10 Jul 91

[Relay from San Miguel de Tucuman, Argentina]

[Text] Following the military parade [to mark Argentine Independence Day], Argentine President Carlos Menem hosted a lunch. He reiterated to Bolivia the invitation to join the Common Market of the South [Mercosur], a statement that was applauded by the Paraguayan and Uruguayan delegations who attended the lunch.

[Begin Menem recording, in progress] ...many have asked us at this moment, at this hour. We have already talked about major issues—among them the Latin American integration, the Mercosur, and the possibility for Bolivia to join the Mercosur. You know that we have had little time to discuss these matters but we have discussed some of them. We maintain our firm decision and our will to comply with what we agreed in Asuncion, Paraguay. We will definitively integrate the Mercosur on 31 December 1994, with the participation of Bolivia if possible. [applause] [end recording]

The other presidents also expressed their desire for Bolivia to join the Mercosur. Paraguayan President Andres Rodriguez said:

[Begin Rodriguez recording] With every confidence, I convey the affection of the Paraguayan people toward the Bolivian people. I am sure that our wish is that Bolivia join the Mercosur, the accord of which we signed in Asuncion, Paraguay. [end recording]

Cuba

Castro Speaks to Pan-American Games Athletes

FL1607135791 Havana Cuba Vision Network in Spanish 0037 GMT 16 Jul 91

[Speech by President Fidel Castro at a ceremony to present the Cuban flag to the Cuban Pan-American Games team at the Palace of the Revolution in Havana on 15 July—recorded]

[Text] Dear comrade athletes:

I am going to be very brief. We all have things to do during these times. You have to train. In any case, I want to convey to you warm greetings, full of admiration, from all of us the comrades of the party and government. For the first time in these years of the revolution, you... [corrects himself] we do not come to see the delegation off since the delegation is going to perform here in our country. For the first time, the people will not have to follow the sports events over the radio or television alone. They will now be able to attend many of them. Naturally, since there is not enough room for everyone at the stadiums where the competitions are going to be held, many will have to watch on television and listen over the radio, but from here. I believe there will be more transmissions than ever, more hours of television and radio transmissions than ever. In addition, our press will be there. I do not know if it will have a lot of paper but a little sports newspaper is already circulating and we get it almost every day.

For the first time, you will have the warmth and applause of our people right there next to the scene of the events. Previously, you had to receive it from a distance but it was so strong that I believe no matter where you were the echo of the applause of our people was heard there. Now it will get there much faster. We will enjoy the news much faster. The schedule will be more in line with ours. Sometimes the sports events took place three hours ahead or behind our time. Sometimes they lagged seven hours. Sometimes we had to watch the sports events at 0300 or 0400. None of that will take place this time. Our people will have the privilege of seeing and enjoying the 11th Pan-American Games from the fatherland.

Our country has done a lot for sports. I believe that no other country in the hemisphere has done more in this field than Cuba. I believe that nobody deserved it more than Cuba. In the early years, obstacles were placed to prevent us from traveling. A lot of work has been done and we finally have been able to get our fatherland to host the Pan-American Games. We could have been able to host them a long time ago. It should have happened earlier but our policy of principles, our loyalty, and solidarity with those who we owed or thought we owed solidarity brought as a result that the possibility of hosting the Pan-American Games was delayed a few more years.

Attempts were made toward the end to sabotage this opportunity. We fought and were able to get the right to host them some years ago. By chance this coincided with difficult times for our economy for reasons you all know and I am not going to repeat here. Perhaps if we had to make the decision today at this very moment, or last year, or even during the second half of 1989, it is possible that the holding of these games in our country would have been postponed for a few more years. But the decision was made some five years ago.

In fact, when we decided to attend the Indianapolis games, we had already made the express commitment that the 11th games would be here in Havana. Indianapolis was in 1987. Our struggle to host the Pan-American Games went much further back, but the real fact is that when these difficult circumstances arose, the commitment had already been made. Our word of honor had been given. The construction projects were already well under way. The basic spending we had to do had already been done. The contracts for the basic materials had been signed. Without any hesitation, because of all these factors, we insisted on keeping our word of honor, meeting our international commitments, and holding these games in our country.

Perhaps ours are the most economical construction projects that have ever been done, because they have been done with the participation, effort, and sweat of hundreds of thousands of our citizens, perhaps millions, in Havana and Santiago de Cuba. How many hours of voluntary work have been done! Today it would be difficult to find someone in this city, for example, who has not contributed their grain of sand, who has not invested a few hours of voluntary work in building these facilities. The minibrigade members also made an exceptional effort, as did the construction workers, of course.

As I have said other times, our country had dreamed for a long time not only of hosting an event of this kind, which it deserves, but our country had also dreamed for a long time of having a velodrome, for example. We have waited more than 30 years to have a velodrome. We wanted an Olympic stadium. We have waited more than 30 years for one. Dozens of baseball stadiums have been built. We dreamed of having a swimming pool complex, and we have waited more than 30 years. But now we finally have them. They are excellent facilities.

The facilities we now have could even be used for the Olympic Games, as some visitors have said. As I told them, they have been the cheapest in the world. We have had to spend money only on those materials we did not have in this country and that were essential for some construction projects. We intend to recoup this money, partly through the facilities and partly through the Olympic Villa, which we will use for tourism. We will use about 30 percent, 32 percent I think, but along with the hotel this gives capacity for sports events (?right here) and will make it possible to hold other events. In a short time, we intend to recoup the hard currency we invested in these facilities.

The Yankees did everything possible to sabotage this, even to deprive us of the income from television. They categorically forbid the U.S. television networks to pay a single cent for their broadcasts. This in fact implied a loss of a few million dollars. In any case, we also made investments in television, but essential investments, since the equipment was very old and was in very bad technical condition for our own broadcasts. So television has gained a great deal from our hosting these Pan-American Games in our country.

But I can tell you that the funds spent in hard currency will be recovered in a short time. The work done there by our workers will last for a long time because, I repeat, the most important thing is not the games themselves, although they are a very high honor. The most important thing is the facilities, which will last forever, for the development of sports and the enjoyment of our people. These are excellent facilities which we have dreamed of for a long time.

Some people thought that these facilities would not be finished. Because they passed by on the highway and saw the stadium and did not know much about the design, they thought the stadium would never be finished. At one time it seemed that the swimming pools would not be finished, and at other times it seemed that this multipurpose arena in Plaza Municipality would not be finished. Now it seems that everything has been finished, except perhaps for some grass, some flowers, and some trees we still have to plant between now and 2 August.

But as always, when it comes down to it, this is one of our characteristics. We will never be rid of it. I am completely convinced that if our marathon runners were capable of running at the speed we always run at the end to finish things, we would be Olympic champions at all the Olympic Games in the marathon. [applause] Because not even [Alberto] Juantorena or Ana Fidelia [Quirot], in spite of the fact that they are as quick as arrows, are capable of finishing, or were capable of finishing, at that pace. But we have finished and here we are, very close now to this great sports event.

Not only did hundreds of thousands work on preparing for this event, on its facilities, on different days, not only did almost everyone participate, but while the event is being held, tens of thousands of people will participate, from those who form the boards—what is it called?—the human blackboard. With this heat, it will be quite an inhumane blackboard, but anyway, I can imagine the people in training for it. They have to participate in the human blackboard and all the activities. There are tens of thousands of people.

Because now in this case it is not a question of our medals in the competition. We know we will win a lot of medals. We win more medals per capita than anyone. When we calculated it recently we noted that for every million Americans, they win 0.6 medals; that is, about half a medal. For every million Cubans, in the last Pan-American Games we won more than seven medals, seven medals per million inhabitants, at least 12 to 14 times more medals per million inhabitants than the United States. We know we are going to win plenty of medals.

But the most important medals, in which we have to get the gold medal and a Pan-American record, are those for hospitality. We must be capable of welcoming the thousands of athletes who will visit us and the thousands and thousands of tourists who will visit our country during those days. We must show them all the warmth our people are capable of, all the hospitality our people harbor in their feelings of solidarity and humanity. Then we will win this medal and will occupy a very outstanding place. This way no one will be able to say afterwards that they have been treated better anywhere than in Cuba, or that the event was better organized than in Cuba. This should be one of our major goals.

In addition, the people will have a magnificent August. Many will have to wrack their brains every day to decide what event they should attend. I know that you are going to be equal to the circumstances. I have had the privilege of having the baseball team here in front of me, among those in the front row. We have seen them in recent days playing over there [in the United States] and here. I think there was a festival of home runs on Saturday. The batting was so-so on Sunday. The U.S. pitching was good, according to what the reporters say, and what those of us who attended say.

In spite of this, now our B team, or our second team, has won none other than the Intercontinental Cup, and in what a way, what a way! [repeats] With two outs! Just as we Cubans sometimes do things so well in the last inning. I hope, I am sure, that our excellent team will see the ball well and play brilliantly in the Pan-American Games, and bring us two major wins in only one month, first place in two major events. But I also hope—I have mentioned them because they are here in front—but I also hope all of you, all the athletes, will play brilliantly, knowing that you are defending the prestige of our sports and the honor of our nation.

I will say more. In these difficult times, you will be an example of the courage and bravery of our people. You will be an example that we are really a fighting people and an invincible people. In order to keep my word, I will end here. Socialism or death, fatherland or death, we will win! [applause]

'One of the Oldest Political Prisoners' Released

PA1607152991 Madrid EFE in Spanish 1407 GMT 16 Jul 91

[Text] Havana 16 Jul (EFE) - Cuban official sources have confirmed to EFE that Mario Chanes De Armas, one of the oldest political prisioners in Latin America, has been set free. The information has also been confirmed by Mr. De Armas' relatives and neighbors

Mr. Chanes De Armas, with President Fidel Castro, participated in the Santiago de Cuba Moncada Barracks attack, which began the revolutionary struggle in Cuba. He has been serving a 30-year sentence for attemping to murder Fidel Castro.

De Armas was also one of the Sierra Maestra fighters.

ICRT Recognizes Security Work of 'Orion'

FL1307021591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 13 Jul 91

[Text] In a simple but moving meeting with fellow workers, Jose Fernandez Brenes has been recognized for his valuable efforts as Cuban Security's Agent Orion. Enrique Roman, president of ICRT [Cuban Institute of Radio and Television], awarded Brenes the commemorative medal of the 40th anniversary of Cuban TV.

Augustin Delgado, second secretary of the National Cultural Workers Trade Union, acting on behalf of cultural workers, pinned the medal on Brenes for his unselfish work, blocking the entry of the worm television [TV Marti] to our country.

This was a good time for ICRT workers to reaffirm to Fidel their commitment to be faithful defenders of socialism from these trenches of ideas.

Reportage on Vice President Visit to China

WA1507200391

For PRC reportage on the visit to China by Carlos Rafael Rodriguez, vice president of the Council of State and vice president of the Council of Ministers, including his talks with Jiang Zemin, general secretary of the CPC Central Committee; President Yang Shangkun; and Vice President Wang Zhen, see the Latin America & Caribbean section of the China DAILY REPORT of 2 July and subsequent issues.

* Sanitation Program for Pan Am Games Described

91P40354A

[Editorial Report] Havana TRIBUNA DE LA HABANA in Spanish of 7 June 1991 on page 1 reports that extermination of rats and insects in Havana homes will take place before the start of the Pan American Games. Family physician and polyclinic teams will advise residents on cleaning yards and home interiors in order to eliminate breeding areas for rats, mosquitoes, and cockroaches. The article further reports that sanitation teams will identify critical areas and exterminators will make house-to-house visits. Residents who do not cooperate in cleaning their homes will be fined.

* Military Unit Prepared for Zero Option

91P40354C

[Editorial Report] Havana GRANMA in Spanish of 26 June 1991 on page 4 reports that military unit 3234's zero-option program is in force and successfully employs dozens of inventions and methods to save energy. The article reports that gas generators, which greatly reduce fuel consumption by using carbon gases, have been installed in kitchens, fuel tanks, and vehicles. The unit makes its own medicines with herbs, minerals such as zeolite, and insects. It uses draft animals, bicycles, windmills, solar energy, and has built a biogas plant. The article adds that the unit vacuum packs unused equipment to prevent its deterioration.

* Implementation of Gasoline-Saving Device

91P40354B

[Editorial Report] Havana TRIBUNA DE LA HABANA in Spanish of 29 May 1991 on page 4 reports that the Union of Local Industry Enterprises has distributed 9,000 fuel-saving devices for Lada and Polski cars and Zil trucks. The devices, which are already being used in Havana and which will be presented at the Havana City VI National Spare Parts Forum, reduce gasoline consumption by eight percent. Devices have also been manufactured for taxis and buses. The article reports that initial testing of another fuel-saving measure, running buses on diesel fuel emulsified with water, has proven successful.

* Merchant Marine Seeking Ways To Defray Costs

91CA0165A Havana GRANMA in Spanish 5 Jun 91 p 2

[Article by Emilio del Barrio Menendez; first paragraph is GRANMA introduction]

[Text] With this new idea, we must work. The necessarily high costs of the fleet can be lowered by the revenues it can generate.

The men of the Cuban merchant marine are called upon to tackle a great responsibility: To decrease freight charges as much as possible, and, in turn, transform the merchant marine's international transport activity into a generator of hard currency.

The times require the adoption of this new concept for operating the fleet, and necessite discarding of traditional ideas in this respect, by the shipping sector as well as by other sectors connected with trade beyond our borders.

Today, the blue water fleet that Cuba operates must not only offer its indispensable freight hauling services to the limit of its capabilities—a traditional function of Navegacion Mambisa—but must also, through the chartering of its idle freight tonnage to third-world countries, generate revenues that can be freely converted to hard currency and defray part of the high cost of operating a significant merchant fleet such as that of our country.

To carry out this multiple responsibility, it is imperative to completely change the work patterns and practices that have prevailed until now. In the first place, in order to respond to current requirements, our ships will have

to be put and maintained in good working condition. This will have to be accomplished through improvement of and strict adherence to maintenance programs, and the tightening up of procedures and techniques for provisioning the ships, and of other activities related to readying the ships for launching.

These steps will all directly increase operating time by reducing unexpected breakdowns and unproductive time wasted waiting for the delivery of onboard services....

Today, the main weakness in the work being done by the men of the fleet is related to the technical operating condition of our merchant ships. It is essential that they change this situation in order to fulfill their current responsibilities.

Operationally speaking, those who manage the fleet, as well as the agencies directly involved in its operations—the Ministries of Transportation and Foreign Trade, among others—must establish very close working relations aimed at closer coordination of the fleet's freight tonnage availability, with the haulage needs in different geographic regions, and the means of payment for the various products.

Based on these considerations and others, joint decisions can be made that will not only enable reductions in freight charges—they will always be necessary—but that can also convert into reality the possibility of leasing our fleet's idle tonnage to third parties and, by this means, obtain hard currency.

Consequently, the evaluation of traffic options must be very precise and must be guided by a sole, overriding philosophy: that of furthering the interests of the national economy over and above those of a sectorial or entrepreneurial nature.

At any given moment, for example, it might be found more advantageous to the country to hire a ship flying a foreign flag to transport our cargo, while leasing one of our national ships to a third party. This is one of the many possibilities that must be analyzed at every step of the way.

Of course, what has been outlined in the last two paragraphs is a highly complex task. But if we work together, and I emphasize this, in close coordination, and with a high sense of responsibility and foresight, we can accomplish it. There is no doubt that the fleet can produce hard currency for the country.

* Sugar Minister on Equipment Repair Program

91CA0165B Havana GRANMA in Spanish 1 Jun 91 p 4

[Report of interview with Juan Herrera, minister of the sugar industry, by Juan Varela Perez; place and date not given; first paragraph is GRANMA introduction]

[Text] Repairs must commence at each processing center immediately upon completion of milling operations. Stricter and more realistic planning of materiel and human resources. Disassembly not an objective. Interview with Juan Herrera, minister of the sugar industry.

Repairing and preparing the entire sugar industry and its machinery between one harvest and the next is always a challenge. But the challenge is greater if, as is currently the case, the process must be carried out under conditions prevailing during the harvest period itself.

To date, the "repair-and-prepare" operation that follows the completion of milling operations has been characterized by three well-defined stages: Disassembly, idle time, and—beginning in August—a massive repair phase.

"The situation," said Juan Herrera, minister of the sugar industry, to GRANMA, "calls for changes in this work pattern to enable stricter and more realistic planning of available human resources and materiel.

"Each year, more and more mills are accumulating backlogs of cane to be milled, amounting to 150 days or more of milling operations, while the rate of input is decreasing.

"This is why a new concept is needed," he said, "calling for the start of repairs immediately following the end of seasonal milling operations at each center."

Disassembly Not an Objective

The minister referred to an anachronistic and obsolete practice. He said that disassembly is not an objective. What is required is good repair work done in a workmanlike manner. He mentioned equipment that needed only a checkup, a cleaning, and routine maintenance. To totally disassemble it piece by piece would accomplish nothing. On the contrary, parts and components that are still productive would be lost.

"The success of this change will depend on the application of intelligence and initiative by the workers and supervisory and management personnel. Only thus," he said, "will we be in a position to develop the industry so that it can face the required leaps in efficiency, all with a minimum commitment of resources."

Herrera said that this effort requires the cooperation of all the capable and experienced personnel so that the others can be assigned to other work in the campaign, or undergo training.

He dwelt at length on the salvaging and reconditioning of parts and assemblies, a task that requires the support of the personnel most experienced in the management of that type of operation, as well as of technicians and skilled workers in factories and agricultural-equipment repair shops.

Special attention will be given to mills with serious and continuous breakdowns, numerous operational outages, and high total lost time.

No Unscheduled Equipment Shutdowns

The minister was categorical when he stated that unscheduled shutdowns of transportation, farming, industrial, and machine-tool equipment will not be authorized. And he indicated further that the ban on use of transportation equipment (except for that involved in an approved plan), and of agricultural equipment not taking part in harvest operations, remains in effect. This equipment will be kept in its respective parking facilities, in full operating condition, and under diligent care.

With reference to increasing the size of the sides of the wagons dedicated to the hauling of the cane, so as to take full advantage of their capacities, he said that the program will continue but on the basis of wire mesh and a minimum of sheet metal. At the same time, the warehouse reorganization program will be speeded up to achieve better protection, improved control, and easier localization of resources.

He urged the collectives to be diligent and careful in disassembly operations so as to avoid deterioration of reusable components and materials. He mentioned, among others: Bearings, packings, gaskets, bolts....

He mentioned an example: The salvaging, for subsequent use in repairs, of the sheet metal panels of tanks that are taken out of service and do not compromise capacities.

On the same topic, he stated that the Ministry will accord maximum and absolute priority to the manufacture and recovery of replacement parts. He stressed the importance of setting aside space and facilities for this purpose in complexes and shops.

Sheet Metal Targeted

Availability of sheet steel is a matter of considerable concern. There is no point in dwelling on the obvious shortages of steel. Herrera provided some detail on the instructions that have been issued for the use of this precious resource: "One of these prohibits the use of structural steel bars, tubes, and rolled steel shapes in applications of lesser requirement, such as handrails, baseboards, and such, limiting such uses, where needed, to salvaged materials and remnants where possible. Where the use of rolled steel shapes is required, the use of such material in larger dimensions or of higher quality than needed for the job is also prohibited. And "rolled steel shapes will not be used to build sheds," he added, "if secondhand rails can be substituted."

The experts have issued instructions for organizing, in "metals yards," an area in which reusable metal cuttings can be sorted out. Where a solution is possible using such salvaged materials, the use of new metal sheet, shapes, or plate is forbidden.

New storage centers will not be built. During the forthcoming harvest, hauls will be weighed at the existing stations. And concrete—of the type used for cisterns—will be used as a steel substitute in the manufacture of syrup storage tanks.

The minister of the sugar industry said that everything that is to be done by way of repairs will have one objective: Reduction or elimination of both the known and the potential causes of industrial lost time at each and every factory.

The cane-handling, milling, and steam-generating areas have had a particular influence in this regard. The latter area includes, to a great extent, energy problems that do not always stem from the lack of resources.

Much equipment, because of extent of use, recent maintenance, and conduct of the milling operations in which it is involved, needs only technical inspection, routine maintenance, or partial demand loading, to ensure its efficient performance during the coming harvest.

"The mission of the Sugar Industry Ministry and its workers," Juan Herrera said in conclusion, "is to produce more at all stages of the harvest period, with less expenditure of resources, and never a pause in our advance."

Inter-Caribbean Affairs

Results of Caricom Summit Presented

FL1507151691 Bridgetown CANA in English 2019 GMT 14 Jul 91

[Report by Colin King]

[Text] Bridgetown, Barbados, July 14, CANA—After the 12th Caribbean Community (Caricom) summit in St Kitts July 1-5, the decisions and statements on their implementation can appear to brighten the promise of integration. In many ways, however, the latest summit has duplicated other occasions when the heads of government met and raised hopes, only to find grounds in the succeeding year to roll back agreed programmes for deeper integration.

In St Kitts, the leaders revised target dates for common market instruments by:

-Setting October 1, 1991, for full implementation of the Common External Tariff (CET) and rules of origin, nine months after the previous target date, since no more than eight of 12 common market members had by this month complied; and

-Rolling back the July 1, 1991, free trade target date by endorsing a special ministerial meeting in October, 1991, to consider outstanding measures for regional free trade.

They recognised the first recommendations of the independent West Indian Commission on the way forward for the community, and agreed to start early efforts to

advance action in six areas identified by the commissioners—travelling in the region, free movement of skilled persons, steps towards a common currency, enlarging investment, creating the Caricom single market, and mobilisation for international negotiations.

They further embraced the strategy of assigning individual leaders to supervise "implementing action" in each of the six areas, as a means of addressing the ongoing problem of poor implementation of their decisions. Their final communique repeated the fact that changing geo-political circumstances and continuing transformation of the international economic situation increased "the urgency for commitment, cooperation and discipline among member states of the community, in order to fulfil the goals set forth in the treaty of Chaguaramas and to confront the challenges of the international environment".

There are recent reasons to doubt that the need for urgency has been critical in the past and current rate of progress in Caricom decision-making and implementation. Their Grande Anse Declaration at the 1989 Grenada summit said leaders were equally "moved by the need to work expeditiously together to deepen the integration process ... to respond to the challenges and opportunities presented by the changes in the global economy".

That agreement enshrined several of the decisions, with target dates, which have mostly passed unfulfilled and which have been rolled back or put on hold with the actual or implied endorsement of the St Kitts summit. Grande Anse among other things required the CET and rules of origin to be fully revised, agreed and effective by January 1991; said leaders would ensure the removal of all remaining barriers to trade by July 1991; and promised arrangements by January, 1991, for free movement of skilled and professional personnel and of contract workers on a seasonal or project basis.

It required the strengthening and re-establishment of the Caricom Multilateral Clearing Facility (CMCF) by December 1990, and promised to waive, by the same date, passports for regional travel by Caricom nationals.

On this background, the St Kitts summit's stated commitment to the aim of "hassle-free" travel and freedom of movement of skilled and professional Caricom nationals merely reaffirmed a promise, in more direct language.

Movement to a single economy—free trade, customs union, elements of a capital market, and regional enterprise, for example—has been hesitant, continuing with the latest summit's new round of rolling back missed deadlines of the past year. Periodically, a new programme and a target date is adopted in response to an extra-regional initiative such as the US Enterprise for the Americas Initiative (EAI) and the Venezuelan free trade offer.

Trinidad diplomat and former regional representative in Brussels Edwin Carrington highlighted the problem before the summit: "There has been this congenital weakness in Caricom for implementing decisions.... It was pointed out years ago...that the structure we have does not cater for the effective implementation of decisions. Now the heads in essence are responsible for the entire process so at the end of the day the responsibility comes back to them."

A summit decision two years ago which could have seen Carrington's appointment to a new position of Caricom commissioner to bolster technocratic authority and implementation of community decisions was itself shelved. The St Kitts summit has now broadened a more recently adopted strategy of delegating individual leaders' responsibility for "implementing action", giving five leaders specific responsibilities.

How well this system will work is to be seen, but the implication is that the supervising head will, eventually, report to the meeting of heads and draw authority from the next summit, and so on. The example of the Montserrat chief minister's voluntary promise that his government will deport no Caricom national except for criminal involvement could have been used to direct summit attention to the prospect of unilateral removal of structures which impede the deeper integration to which governments individually express commitment.

In this vein, Guyana's president, with or without his new responsibility for "implementing action" for the free movement of skilled persons, could move to have Guyana's work permit requirements for Caricom nationals abolished. Similarly, Trinidad's prime minister, even without his responsibility for steps towards a common currency, might introduce measures to exclude Caricom currencies from declaration requirements at the country's ports, and so on, with leaders demonstrating faith in integration with other than multilateral action to erode the barriers.

Venezuela's signing of an agreement with Caricom in St Kitts for commencement of negotiation by mid-September towards free trade access of Caricom products to the Venezuelan market is an example of pragmatic action. Venezuela has been making arrangements with different member states to extend the offer on a bilateral basis, in effect moving continuously by bilateral action to achieve the same goal which it has set at the multilateral level.

Caricom has made advances, including significant action such as the commencement of cross-listing and cross trading of securities among three existing stock exchanges a few months after deadline. The leaders also noted the entry into force of the inter-governmental agreement for a disaster emergency response agency, the agreement in principle to the establishment of a Caribbean Investment Fund (CIF), the broad-based consultative process leading up to the first regional economic conference, and the reactivation of meetings of regional

information ministers. They also approved a Trinidad and Tobago proposal for a project to enable viewers of all individual national television stations in Caricom member states to receive television programmes of other member states by 1992.

Secretary-General Roderick Rainford recognises past achievements and future needs: "It is the clearly expressed demand by people at large for us to build more rapidly on the achievements of the Caricom integration arrangements over the last eighteen years that provides the community with a major part of the impetus for further advances in regional unity."

According to Robinson, speaking before the summit, and largely applicable after the St Kitts decisions, the leaders could either get on with integrating, or waste time, with the consequent continual rolling back of joint implementation dates for multilateral decisions. "With all that is happening in the world and that will happen, we have to take a very firm position on whether we are proceeding with the integration movement or not, or otherwide all of us are wasting our time," Robinson said.

Rainford Issues Caricom 'Anniversay Statement'

FL0507121591 Bridgetown CANA in English 2221 GMT 4 Jul 91

[Text] Basseterre, St. Kitts, July 4, CANA—The Caribbean Community [Caricom], a grouping of English-speaking countries, marked its 18th anniversary Thursday, looking forward to better ties with French, Dutch, and Spanish-speaking neighbours. The community's secretary-general, Roderick Rainford, listed Haiti, Suriname, and the Dominican Republic among the countries with which Caricom wanted a "consolidation and strengthening" of relations.

Following is the text of Rainford's anniversary statement, released here during the 12th Caricom heads of government summit:

"Today marks the completion of eighteen years since the founding fathers of the Caribbean Community (Caricom) and common market put their signatures to the Treaty of Chaguaramas, the constituent document and charter that gave birth to the Caricom integration arrangements as we know them.

"The eighteenth anniversary of that landmark event finds the Caricom regional movement in a state of exciting and creative ferment. It is a ferment engendered as much by the imperatives of our own deeply felt compulsions as a people towards unity, as by the dictates of a rapidly changing international environment which constrains us to make common cause in the world. That is why we find ourselves celebrating the eighteenth birthday of Caricom in the midst of an animated public debate about the past achievements and failures of our regional movement, about the present state of health, and about how it must serve us in the future.

"It is a public debate in which all are participating, the ordinary man in the street, who earnestly wants to know what Caricom can contribute to the solution of his immediate day-to-day problems, no less than the political leaders and senior government officials who seem to be continuously preoccupied with the operation of the structures and procedures for trade and commerce within our common market.

"People in the southern reaches of our archipelagic regional movement, in Trinidad and Tobago and Guyana, are voicing their praises and their criticisms of Caricom no less than people at its northern and western points in the Bahamas and Belize.

"People in the professions as well as people in the business community are articulating with increasing fervour and urgency their perspectives and desires on the matter of regional unity; and so are people in the labour movement, in the farming sector, the women, the youth of Caricom, and people in a wide range of Non-Governmental Organisations (NGO's).

"Every available forum has been and is being used by the people of the region, directly and through their many varied organisations, to express the hopes they cherish of unity in the Caribbean and the fears they have about any prospect of the regional movement not living up to their expectations.

"During the year that has just ended, the occasion of the regional economic conference, which was a major consultation of the social partners of the region, and the hearings of the independent West Indian Commission, operating under the chairmanship of Sir Shridath Ramphal, provided excellent platforms for the articulation of these feelings of members of the regional public from all levels and from all areas of interest. The West Indian Commission in particular will continue to be a public forum of regional unity during the nineteenth year of Caricom which starts today; and in a bold initiative to give flesh to our belief that the people of Caricom continue to share a sense of community with West Indians abroad, the West Indian Commission was used in the eighteenth year of Caricom and will be used in its nineteenth year to provide one platform, among others, for our fellow Caricom nationals in the diaspora in Europe and North America to express their concerns and desires about the regional integration movement.

"We recall also that during the eighteenth year of Caricom we continue to be fascinated by the fact that, beyond West Indians at home and abroad, a wide range of non-Caricom countries and peoples increasingly demonstrated stronger interest in our community and common market. Our intergration arrangements are a major subject of study and observation by academics and others from outside Caricom; and more importantly, there is widespread interest on the part of others in establishing various forms of relationships with the Caricom regional movement. From within our community we are responding to these expressions of interest, as

we increasingly come to accept the necessity and the desirability of widening the regional movement through appropriate strategies and in appropriate directions.

"During the year just ended, observer status with various ministerial bodies of Caricom was granted to Mexico, Puerto Rico, and Venezuela, adding to the observer status previously granted to the Dominican Republic, Haiti, Netherlands Antilles, and Suriname; and we look forward to the consolidation and strengthening of these relations in future.

"In the meantime, the ferment of public debate about the regional movement is having the effect of fostering greater recognition of the fact that if Caricom is to mean anything of importance, it has to become much more than just an inter-government affair.

"We accordingly now face the challenge of giving greater institutional form and structure to this wider holistic reality of Caricom, and in this connection the regional economic conference in Port-of-Spain in February this year was an event of particular significance. In all this, as the authentic voices of the people of the region come to be heard more and more on Caricom integration issues we are perhaps witnessing one of those paradoxes which, far from bogging us down in immobilism, creates an impetus for growth and advancement of our regional goals.

"This paradox is that even as we lament, as we often justifiably do, the absence of fuller information and communication flows about our regional integration process, Caricom is at the same time a houshold word on the lips of our citizens throughout the length and breadth of our community and of people beyond its boundaries. It is perhaps this fact that has fuelled high expectations on the part of our people at the level of their normal every-day lives, and engendered disappointment when reality falls short of these expectations.

"I believe that it is the clearly expressed demand by people at large for us to build more rapidly on the achievements of the Caricom integration arrangements over the last eighteen years that provides the community with a major part of the impetus for further advances in regional unity, as we go with confidence and enthusiasm into the nineteenth year of Caricom."

Dominican Republic

* Jan-Apr Trade Deficit Registers $306.4 Million

91CA0179A Santo Domingo EL SIGLO in Spanish (ECONOMIAS SUPPLEMENT) 8 Jun 91 p 1-D

[Article by Jose Javier]

[Text] The Dominican Republic registered a $306.4 million trade deficit during the first quarter of this year, with exports totalling $274.6 million and imports $581 million.

According to an analysis of Dominican economic trends carried out by the Economic Research Unit (UIE) at the Autonomous University of Santo Domingo's Economics Department, domestic exports remained unchanged from the same period last year.

According to the quarterly report, however, year-to-date exports from the free zones rose by 28 percent over 1990, to a total of $156.7 million.

In general, domestic exports continue to be affected by the reduced exportable supply of both traditional and nontraditional products, while imports will continue to increase this year.

The report states that foreign reserves stabilized during the first quarter of the year as a result of applying adjustment measures, injecting $39.1 million in funds into the private sector, and authorizing $185 million in credits to suppliers.

It stated that the foreign exchange balance totalled $690.5 million in the first quarter, accounting for a 44-percent increase in gross international reserves since 1990, from $180 million to $260 million, despite a $92.3-million payment on the foreign debt.

It points out that the reduced inflation and stabilized exchange rate are a result of lower government capital spending and consequently lower monetary growth.

The UIE report also points out that government revenue during the period in question increased to some 3 billion pesos, which does not include the income derived from the special dollar account managed by the Presidency of the Republic.

However, according to an estimate based on Central Bank payments, the government earned some $23 million from that special account, which converted at the official exchange rate would be equivalent to 3.285 billion pesos.

At a seminar held at the School of Economics and Social Sciences by Economics Department professors yesterday afternoon, the UIE estimated that by the end of the year fiscal revenue could reach some 10 billion pesos.

It noted that compared to the first quarter of last year, fiscal revenue has increased by some 40.2 percent. That is less than expected because of the country's inflationary situation.

It showed that the average price level during the first quarter rose 97 percent compared to the same period in 1990, showing that revenue declined following the economic changes resulting from the obsolete legal system.

The report notes, however, that although it is quite certain that these prices are below the recorded inflationary levels, a substantial worsening is anticipated compared to 1990 trends, when prices grew by 12.1 percent.

* April Revenues Total 921.6 Million Pesos

91CA0179B Santo Domingo EL CARIBE in Spanish 11 Jun 91 pp 1, 4

[Text] Domestic revenue climbed in April to 921,561,537 pesos, of which the Government has earmarked significant portions for the promotion of projects involving agriculture and livestock, irrigation, potable water and energy.

A report from the National Budget Office (Onapres) states that in apportioning public funds priority was also given to the monetary sector and to health and education programs.

Foreign investment revenue in the country rose to 5,293,949 pesos, and nonforeign investment revenue was on the order of 550,674,721.92 pesos.

Following is the complete text of the Onapres report.

"In the interest of keeping the public duly informed of the components of State revenue and expenditures for the month of April 1991, the National Budget Office publishes for the general public the details regarding budgetary changes.

"As the reader may appreciate, the strategy of the current Government, presided over by the Most Excellent President of the Republic Dr. Joaquin Balaguer, in apportioning public funds, is to consider the agriculture and livestock, irrigation, potable water, energy, monetary policy, health and education sectors as essential priorities.

"Given the Republic's current situation, everything related to agriculture and livestock, potable water supply and irrigation, energy, money supply growth reduction, paying the public debt, and devoting the necessary attention to the demands of people's health and education, a conglomeration of public interests of undeniable importance, imposes the need to devote great care to effective execution of the budget.

"This means, however, that regardless of the necessary attention devoted to the aforementioned priorities, the Superior Government, far from neglecting other fundamental aspects of public administration, is considering them as well, and adopting the measures most conducive to seeking the optimal solution.

"Domestic revenue during the period in question totaled 921,561,537 pesos, while foreign investment revenue totaled 5,293,949 pesos and non-foreign investment revenue was on the order of 550,674,721.92 pesos.

"The agriculture and livestock, irrigation and energy sectors were apportioned a the sum of 141,723,352 pesos. In particular, the National Institute of Water Resources (INDRHI) received a sum of 59,992,111 pesos for construction and supervision of the Jiguey-Aguacate dams and the Sabaneta project, as well as for the construction of canals and the repair and maintenance of other dams.

"The Dominican Electricity Company (CDE) received an increased apportionment of 30 million pesos to cover various commitments and for the Energy System Rehabilitation and Distribution Project.

"In addition, the Dominican Agrarian Institute (IAD) received 10,434,939 pesos to execute various projects for the financing of various agricultural programs, while the Special Fund for Agricultural and Livestock Development (FEDA) received 1,052,160.20 pesos to intensify support programs for agricultural production and other pressing objectives; the Cruz de Manzanillo Project received 2,648,490 pesos to plant different agricultural crops; the Secretary of State for Agriculture received 25 million pesos to encourage and increase agricultural production; and the Agricultural Bank received 10 million pesos to increase the rice harvest.

"The National Institute for Potable Water and Sewers received a sum of 18 million pesos to carry out various works.

"The Central Bank of the Republic received 30 million pesos for payment of the public debt. To contribute to the program to reduce the money supply to strengthen our currency, the Dominican Government, headed by Dr. Joaquin Balaguer, has applied the sum of 200 million pesos from April revenues. The Santo Domingo Aqueduct and Sewer Company was allotted 38.8 million pesos to construct the Valdesia-Santo Domingo aqueduct and other works.

"Finally, the Secretary of State for Public Works and Communications received an apportionment of 100,442,288 pesos, the Office of Supervising Engineers for State Works received 35,076,372 pesos, and the Coordinating and Monitoring Office for State Works received 7 million pesos to execute works and programs of social and economic interest throughout the Republic, such as projects involving housing, airports and ports, free zones, aqueducts, sanitation and sewer works, highways and local roads, street maintenance and historic monuments."

* Bumper Crop of Manioc, Sweet Potatoes

91CA0179C Santo Domingo LISTIN DIARIO in Spanish 17 Jun 91 p 11

[Article by Santiago Estrella Veloz]

[Text] Azua—Sweet potato farming by private producers has expanded here and in other areas of the country, causing speculation that next August there will be an excellent crop to replace plantains, which for weather-related reasons will begin to be scarce toward the end of the year.

Manioc and beans also show great promise. It is estimated that the approaching harvest of both agricultural products will be the best in recent years.

Jorge Schecker is a young agricultural businessman with 80 tareas in this area planted in sweet potato, over which he has already made his third and final pass. This is to rid the crop of weeds, for the plants to grow freely.

Schecker is optimistic about his sweet potato crop, as he expects a yield of some 28 quintals per tarea.

The young farmer told LISTIN DIARIO that the Agriculture Secretariat not only gave him seeds, but is also offering him technical assistance for disease control and better crop development.

Agricultural authorities calculate that 120,000 tareas across the entire country are planted in sweet potato, of which some 70,000 are in the San Juan Valley.

They say that there are 510,000 tareas across the country planted in manioc, with an average yield of some 20 quintals per tarea. The harvest will begin in July and go until the end of the year, when it is estimated that plantain production will decline for weather-related reasons.

Thus, that if plantains are lacking there will be manioc and sweet potatoes, which also satisfy export requirements, primarily to Puerto Rico, Miami, and New York.

The Secretariat of Agriculture says there is no fear that massive manioc and sweet potato production will depress prices and frustrate producers.

"The National Institute of Price Stabilization (Inespre) is there to prevent that," said Agriculture Secretary Nicolas Concepcion Garcia. "We also will monitor the situation to prevent that from happening, and to ensure a good market," he added.

Grenada

Reportage on Former Prime Minister Bishop Trial

Government Not To Finance Appeal

FL1507195091 Bridgetown CANA in English 1618 GMT 15 Jul 91

[Text] St. George's, Grenada, July 15, CANA—Attorney General Dr. Francis Alexis said the Grenada Government would neither recognize nor finance an appeal by the 17 persons who had their convictions for the 1983 murder of former Prime Minister Maurice Bishop Francis confirmed by the Grenada court of appeal last Friday. Dr. Alexis, noting Grenadian law, gave the Grenada Court of Appeal the final word on the case, said the planned attempt by defence lawyers to seek a new appeal against the convictions would be "legal skywriting" and "pure rubbish."

"There can be no appeal from the Grenada Court of Appeal to any other quarter anywhere on earth, and we will not recognize any such attempt by them to appeal," Dr. Alexis told CANA.

He added: "Certainly not one cent will come out of the Grenada treasury to assist any such proceeding." The Grenada Government paid for the defence of the 17 convicts, former military and government officials in the People's Revolutionary Government (PRG) which Bishop led.

Grenada is preparing to rejoin the Eastern Caribbean Supreme Court. The island left the regional court system and established its own court after the Constitution was suspended following the 1979 coup that brought Bishop to power. However, the law effecting the island's return bars the regional court from dealing with cases on which the Grenada Court of Appeal gave a final judgement.

Commenting on the outcome of the lengthy Bishop case, Dr. Alexis said Grenada must be grateful to the prosecution and the professionalism of regional police officers who came to assist here following the 1983 U.S military intervention that occurred six days after Bishop was slain in a palace coup.

"The visiting police officers from Barbados, St. Vincent, and Antigua did a very professional job...," he said.

Dr. Alexis praised the prosecution team for its handling of the case, singling out acting Director of Public Prosecutions Velma Hylton, former Trinidad and Tobago Attorney General Karl Hudson-Phillips, and trial judge Denis Byron for special mention. He also paid tribute to the families of the victims of the palace coup, saying, "It is right for us to stop and reflect on the pain and suffering which the surviving relatives and friends have been put through."

Bishop, half of his cabinet, and three close colleagues were lined up against a wall at the former Army headquarters, Fort Rupert, and executed at the height of a power struggle between moderate and hardline factions of the government.

Among those sentenced to hang are former Deputy Prime Minister Bernard Coard, his wife Phyllis, Mobilization Minister Selwyn Strachan, and other members of the Central Committee of the new Jewel Movement which ruled Grenada between 1979 and 1983.

'Grenada 17' Struggle To Continue

FL1307160391 Bridgetown CANA in English 1257 GMT 13 Jul 91

[Text] Kingston, Jamaica, July 13, CANA—The leader of the defence team in the Maurice Bishop murder appeal, Ian Ramsay said he is appealing to Grenada's governor general in the court's upholding of the convictions and sentences of those implicated in the 1983 killings. Ramsay said Thursday after the three-man appeal court ruling that he was surprised at the decision.

"Even though the news which was coming out of Grenada since Monday seemed bleak, I'm taken by surprise that all the appeals were denied," he said.

"It's difficult to understand how a case which had 38 grounds of appeal and took three years to argue, with 586 authorities cited, and a judgement of seven hundred pages is dismissed (as) if there is not material there," said the Jamaican senior counsel.

He said the defence team's bottom line is securing the life of the "Grenada 17" and the struggle will continue. In addition to making an application for the exercise of mercy by the governor general, Sir Paul Scoon, the defence will also consider whether the British Privy Council will recognise the case, he said.

The constitutionality of the Grenada court was upheld during the appeal. According to Ramsay, twice in the past the privy council had said the Grenada High Court was unconstitutional. The Grenada High Court and Appeal Court were constituted by the Bishop revolutionary government which took the country out of the East Caribbean [EC] courts system. The EC court recognises the privy council as the final court of appeal. Ramsay was disappointed that the world "has not responded to the case."

"It's as if the world has forgotten them (the appellants)," he said on a Jamaican radio talk show. "We have heard nothing from Amnesty International or the Jamaica Council for Human Rights," he said.

Fourteen party colleagues of Bishop were sentenced to death for murder during the October 1983 palace coup and three army officers were given 120 years imprisonment for mansalughter.

Charles Comments on Verdict

FL1307140391 Bridgetown CANA in English 2202 GMT 12 Jul 91

[Text] Bridgetown, Barbados, July 12, CANA—Dominica's Prime Minister Eugenia Charles on Friday urged Grenadians to put the bloody past behind them and unite to build a stronger country. Miss Charles' comments followed news that the Grenada Appeal Court had upheld 1986 death sentences on 14 former government and Army officials for the murder of the island's Prime Minister Maurice Bishop and other members of his cabinet. The court, under president Sir Frederick Smith of Barbados, also confirmed prison sentences totalling 120 years on three other accused, all soldiers.

Said Miss Charles on CANARADIO's "Caribbean Today" news prpogramme: "There still is of course the ordeal of carrying out the sentences, because it is not an easy sentence to carry out with 17 people. It will still hang like a pall over Grenada for a little while. I think Grenadians must be courageous.

"The decision has now been finally made. They must look forward to the building of the country."

Grenada's legal authorities were on Friday pondering their next move, in the wake of the appeal court decision. Kendrick Radix, a former attorney general in the Bishop cabinet, welcomed the court's decison saying that political assassination must never be condoned.

"This is a crime that is.... heinous and surely history must be vindicated that political assassination is an unacceptable norm in the eyes of our people," he declared on CANARADIO.

Friday's verdict by the three-member appeal court panel followed a marathon four-day reading of the near 600-page judgement. Bishop and his cabinet colleagues were lined up against a wall and shot dead in 1983 following a ideological feud with his deputy, Bernard Coard, one of the 14 sentenced to death for murder.

Haiti

Arrests Made in Possible Plot Against Government

FL1607132891 Port-au-Prince Tele-Haiti in French 1130 GMT 16 Jul 91

[Text] Over the weekend, the police initiated a large operation. Approximately 16 persons including Daniel Narcisse and Antonio Paul, brother of the late Colonel Jean-Claude Paul, were arrested. Numerous Molotov cocktails were seized within the scope of this vast police operation. Official sources have not provided information on the reason for these arrests. However, according to unofficial sources, this operation was aimed at averting a possible plot against the government.

The alleged mastermind of this conspiracy is Roger Lafontant, who was giving orders from his jail cell to Antonio Paul, Leslie Maximillien, and a Haitian Armed Forces officer who were to coordinate and plan the coup from the outside. The officer and his wife are now reportedly in jail.

The police reportedly discovered in the officer's home approximately 10 skillfully made bombs. The police also reportedly discovered 44 Molotov cocktails in a house that these alleged plotters used as a warehouse.

We note that Daniel Narcisse's wife was questioned and arrested within the scope of the police operation but was released soon afterwards.

Reports on Repatriation From Dominican Republic

185 Haitians Return on Weekend

FL1607180991 Port-au-Prince Radio Metropole in French 1600 GMT 15 Jul 91

[Excerpts] Deported compatriots and those who voluntarily escaped from the Dominican Republic continue to arrive in Haiti. More than 600 persons are being taken care of by the government at the Bon Repos Hospital. Others who had relatives have returned to their native towns. Marcus Plaisimond provides this report:

[Begin Plaisimond recording] The Dominican Government continues to deport Haitians who are there illegally or not from its territory. This weekend, 185 fellow countrymen were returned to the Haitian authorities at the Malepasse frontier. These included cane cutters and construction workers. Some were deported with their families while others left families and belongings behind.

In the Bon Repos Hospital courtyard, where they are being accommodated at the Ministry of Social Affairs expense, more than one will tell of their difficulties. Others, the dreamers, appear not to quite understand their situation. At this time, there are more than 600 people at Bon Repos. One finds people who were deported as well as those who came back of their own free will to avoid being mistreated. The 200 children who are there are cared for by the Welfare Institute's employees.

Many of the people repatriated during the initial stage have already returned to their home towns on trucks furnished by the Ministry of Public Works. The people in charge at Bon Repos are expecting other arrivals and are preparing themselves. One compatriot who left at the beginning of the 60's had his arms and one leg slashed while in the neighboring Dominican Republic. According to him, Dominicans should not talk about illegal Haitians because they are the ones benefiting from this labor force which they have recruited. [passage omitted]

Aware of our brothers' situation, our countrymen will bring what they can to Bon Repos. This week, the Association of National Producers, PRONA, will donate local products to the Ministry of Social Affairs which is in charge of the distribution. [end recording] [passage omitted]

Repatriations Blamed on Macoutes, U.S.

FL1007210991 Port-au-Prince Radio Metropole in French 1600 GMT 9 Jul 91

[Excerpts] Another demonstration to protest the deportation of braceros [cane cutters] is planned for 10 July in the capital, at the initiative of organizations such as the People's National Assembly [APN], Popular Organizations Assembly for the National Liberation [ROPLN], and the Popular Movement of 8 March 1990 [MP-8]. These organizations consider the mass repatriation to be part of a plan to destabilize the Haitian Government. They express their support of the 7 February government. Here is a report by Jean-Max.

[Begin Jean-Max recording] Various popular organizations blame two specific sectors for the repatriation of Haitians living in the Dominican Republic. At least 12 citizens groups, among them APN, ROPLN, MP-8, Workers General Confederation, and several others, accuse the Macoute sector of the Senate, and American imperialism, of attempting to destabilize the Haitian Government. It is to thwart this alleged effort that the popular organizations are planning to demonstrate in the capital on Wednesday. The organizations' spokesmen and others announced that Dominican nationals will come to the support of the Haitians, criticizing what they call the policy of Dominican dictator Joaquin Balaguer. [passage omitted]

Christian Filostrat, spokesman for U.S. Information and Cultural Services at the American Embassy, rejected accusations by the popular organizations of U.S. Government involvement in the repatriation of Haitians. Mr. Filostrat asserted that those accusations are unfounded, without cause.

Since the Dominican Government issued the decree to deport Haitians from the Dominican Republic, about 1500 Haitians have already arrived in Haiti. Despite positions taken by human rights organizations, political leaders, and others to protest these repatriations, which are not in conformity with international human rights agreements, contingents of deportees arrive in Haiti almost daily. The government of Joaquin Balaguer specified in his decree that repatriation would affect only those Haitians under the age of 13 [as heard] and elders over 60.

The demonstration will begin in front of Saint Jean Bosco Church and will finish in front of the legislative chamber where those in charge of the protest will deliver a message to the senators who, they say, are blocking Rene Preval's policy. [end recording].

According to Haitian authorities, 1,034 Haitians have so far been deported from the Dominican Republic under President Balaguer's 13 June decree. The rate of deportation has been gaining momentum

Hunger Strikers Seek UN Intervention

FL0807212591 Port-au-Prince Radio Metropole in French 1500 GMT 8 Jul 91

[Text] [Announcer Kettlie Jean-Poix] Five persons, all men, are on a hunger strike in front of the United Nations [UN] in Port-au-Prince. They are protesting the expulsion of Haitian braceros [cane cutters] from the Dominican Republic, and especially the mistreatment inflicted on them before and during their deportations. The strikers specifically seek UN intervention in the crisis between Haiti and the Dominican Republic concerning these expulsions. We are now going to join Mobile Unit 20 in front of the UN office in Port-au-Prince.

[Mobile Unit 20] Thank you, Kettelie. We are actually in front of the UN office where five young people are on a hunger strike to demand the intervention of the UN in this Haitian-Dominican crisis. Haitians have been subject to expulsion from the Dominican Republic since the infamous decree by the Dominican president. We say infamous because although the decree specificied only Haitian children under 16, and old persons over 60, our visit to the Bon Repos Center yesterday revealed very young men still entitled to work in the Dominican

Republic, and Haitians with birth certificates made in the Dominican Republic [preceding five words in English]. We have one of the hunger strikers with us now. He is going to tell us exactly why they are on strike and how long it will last.

[Unidentified hunger striker] Our strike is a 12-hour warning strike protesting Balaguer's violation of both the basic principles of the Universal Declaration of Human Rights, and the Constitution of the Dominican Republic. He has gone so far as to deport even Dominicans of Haitian origin. He has deported them, made them leave the country.

[Unit Mobile 20] These are the grievances of the hunger strikers who demand UN intervention in this matter. There is now a cordon of policemen guarding the UN building on Ducoste Avenue.

Radio Metropole reporter Marcus just attended an Operation Storm Wind news conference. These young people are members of the organizations which are grouped together under Storm Wind, the movement organized by Jean-Auguste Mesyeux. Mesyeux has called for a demonstration tomorrow at 1000 in Port-au-Prince to protest the expulsion of Haitians from the Dominican Republic. He has also asked for the resignation of the ministerial cabinet presided over by Prime Minister Rene Preval.

Protest Demonstration Planned

FL0907183791 Port-au-Prince Radio Metropole in French 1600 GMT 8 Jul 91

[Excerpt] The five young men who are on a hunger strike today to protest against the repatriation of Haitians from the Dominican Republic are members of Operation Storm Wind. This movement was launched recently by unionist Jean-August Mesyeux. He intends to revive the movement this week and has announced a march for tomorrow against the deportation of sugar cane cutters. The organizers of the movement have again demanded the resignation of the Preval cabinet.

[Begin reporter Marcus recording] Now is the time for solidarity, not for division, because our dignity as a people is threatened. This statement was made by Jean-Auguste Mesyeux of Operation Storm Wind during a meeting with the press at the Autonomous Organization of Haitian Workers premise. The speaker announced that a large demonstration had been planned for this coming Tuesday [9 July] to protest, in front of the UN premises in Port-au-Prince, the deportation of our brothers from the Dominican Republic and to demand the removal of the Preval cabinet, which is not able to solve the Haitian-Dominican conflict. A further objective, among others, of this operation is the cleanup of Macoutes in public offices. The demonstration will begin at the St Jean Bosco Church in Grand Rue. The principal staff of Operation Storm Wind also recalled the role played by its members during the deportation attempts against Father Aristide, president of the country. [end recording] [passage omitted]

'Operation Storm Wind' Protests

FL0907222991 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 9 Jul 91

[Excerpts] [Announcer Lamy] Pressure groups demonstrated today in Port-au-Prince against the Balaguer policy, demanding UN intervention in the matter, and asking the government to take stronger measures in solving the crisis. Let us listen to a report by Franckel Valentin.

[Begin Valentin recording] The members of the Operation Storm Wind high command have called for a demonstration on 9 July. The purpose of this demonstration, beginning in front of St Jean Bosco Church, will be to petition the UN to do something about the deportation of Haitian braceros [cane cutters]; to ask for the resignation of the Rene Preval government; to demand the trial of Roger Lafontant and his confederates; to ask concerned authorities to pay workers the minimum wage of 24 gourdes, beginning in August; and to generate support for Petionville mayor, Mrs. Claire Lydie Parent, whose resignation is being sought by some.

According to an Operation Storm Wind news conference spokesman, inasmuch as Haiti and the Dominican Republic are UN members, it must take a stand on the crisis between the two countries. [passage omitted]

Alexis Clairius, the second-in-command of Operation Storm Wind, charges that the Rene Preval government cannot solve the predicament between Haiti and the Dominican Republic, nor can it find a solution to the country's economic crisis. The speaker pointed out the incompetence of the foreign affairs minister, while asserting that the other ministers have not decided to solve Haiti's problems. [passage omitted]

Jean-Auguste Mesyeux urges all citizens to unite in a chain of solidarity to press for the trial of former Interior Minister Roger Lafontant and his confederates. The unionist says that in view of the threat of demonstrations by Macoutes for his release, Lafontant must be expeditiously sentenced. [passage omitted]

Concerning the offer of employment as a cabinet advisor made by Prime Minister Rene Preval to Jean-Auguste Mesyeux, the Operation Storm Wind high command stated: the head of government is devising maneuvers to destabilize popular organizations. These ploys have begun to be applied to several organizations which are already deteriorating as a result. According to members of the operation, Rene Preval has offered a job to Jean-Auguste Mesyeux to break up Operation Storm Wind. [end recording]

CONACOM Proposes Solution

FL1007223691 Port-au-Prince Radio Nationale in Creole 1300 GMT 10 Jul 91

[Excerpts] The National Congress of Democratic Movements [CONACOM] headed by Victor Benoit, held a

news conference on 9 July to publicize its position on the crisis between Haiti and the Dominican Republic. CONACOM denounced what it called the racist maneuvers of Dominican President Joaquin Balaguer to divert the attention of the Dominican people away from their real problems. In his statement, the assistant secretary general of this party, Jean-Claude Bajeux, made seven proposals to the Haitian Government for managing the crisis.

Verify the identities of all deportees arriving in the country;

Approve only one point on the border for entry into the country. CONACOM proposes the border post of Ouanaminthe.

Organize the lands in the Dauphin plantations for the building of a village with many small houses to accommodate 30,000 Haitians. This will qualify Haiti for help from the Red Cross International Committee, the UN High Commissionership of Refugees, and Haiti's friendly countries.

Launch an appeal to all foreign countries and the tenth department [Haitians living abroad], and launch a campaign at home, based on reality and dignity, to rally support for the returning Haitians.

Initiate a call for all Haitians working in the Dominican sugar mills to return to Haiti as soon as possible. [passage omitted]

According to the speakers, that would represent a significant means of applying pressure to the Dominican Republic. They also said that 7000 Haitians have already returned to the country voluntarily.

The speakers asked that the government of President Balaguer be denounced to other countries for its disdain of human rights and children's rights as they relate to family stability, and because it disregards the people's working conditions and does not pay the repatriates their legal benefits when they are deported. [passage omitted]

Preval Addresses Senate on Issue

FL1107224491 Port-au-Prince Radio Metropole in French 1600 GMT 10 Jul 91

[Excerpts] Concerning the massive repatriation of braceros [cane cutters], Prime Minister Rene Preval appeared before the Senate on 9 July, opting for global negotiations in the crisis of Haitian-Dominican relations. Further explanation from Gaillo Joseph:

[Begin recording] [Joseph] The diplomatic conflict between Haiti and the Dominican Republic in the matter of Haitian braceros was again on the Senate agenda for 9 July. These debates helped Prime Minister Rene Preval reaffirm his government's position on this crisis. The situation appears to be worsening, in view of the fact that the repatriation of illegal Haitians continues despite Haiti's request to Dominican authorities that the deportations stop.

[Preval] The objective of the government in the short and medium term is to reach, based on a reexamination of the repatriation question, a global negotiation of the entire problem between the two countries. This negotiation will consider the question of the braceros, and more broadly, the problem of entrance to the island as it relates to Caribbean migrant workers. It will also consider the problem of economic exchanges between the two countries, and more specifically, the question of illegal trade—smuggling. The negotiations will also, obviously, take Haitian security into account.

[Joseph] The chief of state, who did not specify the number of repatriated Haitians to date, nor the date for holding negotiations between the two neighboring Republics, recommended the formation of a crisis commission to include representatives of both the executive and legislative branches of government. These proposals corresponded to three of the four essential points which the prime minister had committed to presenting to the Senate. These points are: the Haitian-Dominican affair; the relationship between the executive and legislative branches; government general policy; and agriculture. Concerning agriculture, agronomist Rene Preval outlined his strategy to reverse the agricultural decline of the country.

[Preval] The main goals are: to favor, develop, and maintain employment in rural areas; to supply the domestic market with first-need goods while considering the income conditions of agricultural producers and consumers; and to work toward the capitalization of exports. These orientations go back to the three main levels of agriculture: production, exchange, and organization of economic agents. [passage omitted]

[Joseph] Accompanying the prime minister was Minister of Foreign Affairs Marie-Denise Fabien Jean-Louis and the minister of agriculture, agronomist Francois Sevrin. Prime Minister Preval expressed himself clearly on several important national issues, although his response was slow on certain questions posed by the Senate. [end recording]

Dominicans Join Storm Wind March

FL0907232391 Port-au-Prince Radio Metropole in French 1500 GMT 9 Jul 91

[Text] A demonstration in the capital by 35 organizations, under the banner Operation Storm Wind, began at St Jean Bosco Church in Grand Rue to protest the massive expulsion of Haitians from the Dominican Republic, and to demand the dismissal of the Preval cabinet, called incompetent by these organizations. Unionist Jean Auguste Mesyeux declares himself commander in chief of Operation Storm Wind.

A stop by the demonstrators is planned for in front of the UN Office in Port-au-Prince where five young people embarked on a symbolic 12-hour hunger strike yesterday to obtain UN intervention in the disagreement between Haiti and the Dominican Republic. How far has the march gotten at present? We are going to join Mobile Unit 19.

[Mobile Unit 19 reporter Marcus Plaisimond] The march actually started off from the burnt-to-ashes St Jean Bosco Church in Grand Rue, then turned onto Rue Saint Martin, where it is marching at the moment. Almost 100 Dominican citizens, men and women, are also paricipating in this demonstration. Their placards read: Up with Haiti-Dominican Republic solidarity. Slogans flaying the prime minister and his cabinet are also being chanted by several hundred persons, among them, Dominican citizens.

Storm Wind Accuses Government

FL1207002091 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 11 Jul 91

[Excerpts] About 3000 people were in the streets of the capital on 10 July as a show of support for the Preval government and to demonstrate against measures taken by the Dominican authorities to repatriate Haitians. During the course of the march, demonstrators hurled anti-Balaguer slogans. Most of the words scrawled on their placards expressed support for the Haitian Government. The demonstrators stopped for awhile in front of Parliament, where they maligned certain parliamentarians.

On the Champ-de-Mars, about two miles from the National Palace, the demonstration ended. It was there that the organizers said they support the Preval government and condemn Operation Storm Wind which is, according to them, a maneuver, in collaboration with imperialist countries, to destabilize the 16 December administration.

[Begin unidentified spokesman recording] [Passage omitted] Operation Storm Wind, by Jean-Auguste Mesyeux and his confederates, is a maneuver by the people's enemies. [applause] [passage omitted] Jean-Auguste Mesyeux and a small group of reactionary opportunists are leading a destabilization campaign against the government. They have launched a reactionary movement that they even call Storm Wind. Oh Lord! How long must the storm beat down on Haiti? [end recording]

The demonstrators also accused political leaders such as the head of the Haitian Communist Party, Rene Theodore, of initiating a campaign to destabilize the government. We must point out that many Dominican citizens participated in this demonstration, which was organized by several popular assemblies, including the National People's Assembly and the Young People's Permanent Assembly.

According to head of Operation Storm Wind, Jean-Auguste Mesyeux, the 10 July demonstration was sponsored by the prime minister. The head of Operation Storm Wind added: Nothing has changed in the country; the Preval government is doing exactly what the Duvalier governments did in the past.

Another member of Operation Storm Wind said: It is shameful of the 16 December government to now pay people to demonstrate in its favor. He added that the 10 July demonstration was against the interests of the people, thus against the government itself. [passage omitted]

The head of Operation Storm Wind, Jean-Auguste Mesyeux, added that the Preval government had better save its money, the country's money, for helping compatriots arriving from the Dominican Republic, instead of wasting it in paying people to demonstrate for him.

Mesyeux Refuses Job Offer From Preval

FL0807192991 Port-au-Prince LE NOUVELLISTE in French No. 34.101 4-7 Jul 91 p 1

[Text] In a letter dated 4 July, unionist Jean-Auguste Mesyeux rejected Prime Minister Preval's alleged offer to appoint him as a consultant within the government cabinet.

"My position as a militant unionist does not authorize me to collaborate with your cabinet. I am considering offering my services foi the continuation of the people's struggle, which is what the head of state supposedly wishes," responded Mesyeux.

UN Agent Meets With Demonstrators

FL1107210191 Port-au-Prince Tele-Haiti in French 1300 GMT 10 Jul 91

[Excerpts] Mr. (Oventon), UN assistant representative in Haiti, advised a Haitian-Dominican delegation that the Port-au-Prince UN office has alerted the organization's High Commission on Refugees about the massive deportation of Haitians from the Dominican Republic. The delegation was part of a demonstration which marched through the streets of Port-au-Prince protesting recent actions by Dominican President Joaquin Balaguer. Here is a report from our reporter.

[Begin recording] The street demonstration of 10 July, organized by Jean-Auguste Mesyeux, secretary general of the Autonomous Central of Haitian Workers, ended outside the UN Development Program [DP] premises in Rue Ducoste. Surrounded by police, the demonstrators chanted and flourished placards asking for UN intervention in convincing Dominican President Joaquin Balaguer to reverse his unilateral decision to deport Haitians living in the Dominican Republic. Many Dominicans living in Port-au-Prince also participated in the march. They said it is their way of bringing solidarity to the Haitian cause. [passage omitted]

Activities were temporarily disrupted at the UN office when Assistant Representative (Oventon) decided to meet with the march organizers. On the morning of 9 July, (Oventon) had met with the five hunger strikers who spent the day in the UNDP parking lot. He had assured them that he would inform the UN permanent office in New York of the Haitian-Dominican situation. The following morning, 10 July, the UNDP assistant representative stated in the presence of Jean-Auguste Mesyeux and Hilda Sanchez, representative of the Dominican community in Haiti, that several steps had been taken by his office in Port-au-Prince. These included notification to the Refugee High Commission of the deportation of Haitians. [passage omitted].

Jean-Auguste Mesyeux asked some questions of the assistant representative. [passage omitted] Assistant Representative (Oventon) explained to the Haitian delegation that he made a faithful report concerning the situation, and reminded the group that the Haitian Government, via the Ministry of Foreign Affairs, had also contacted the United Nations.

Other topics were also addressed by the demonstrators. They asked that the minimum wage of 24 gourdes become effective as of August, unlikely in view of the fact that such a decision must be approved by the Senate as well as by the executive. The demonstrators also demanded the resignation of Prime Minister Rene Preval and his cabinet who, the demonstrators believe, are not capable of negotiating this crisis. [end recording]

Richard Denies Receiving Money

FL1207232091 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 12 Jul 91

[Excerpts] [Passage omitted] Operation Storm Wind, comprising over 35 grassroots organizations and headed by Jean-Auguste Mesyeux, has criticized the Preval government in a news conference on 11 July at the Autonomous Central of Haitian Workers [CATH] premises for having used, according to them, the state's money, cars, and other materials for a demonstration against the operation. One of the movement's speakers, Jean-Nazaire Ade, used the opportunity to assess the government in a very negative way. [passage omitted]

Jean-Auguste Mesyeux, leader of Operation Storm Wind, has reaffirmed his desire to support Jean-Bertrand Aristide as president, while alleging that the Preval government had given the leaders of the 10 July demonstration $25,000 in a country which is very poor. [passage omitted]

Yves Antoine Richard, former CATH secretary general, now heading the General Central of Workers, denies Jean-Auguste Mesyeux's accusation that he had received $25,000 from the government to organize a solidarity demonstration in its favor. He says it is not true, he has received no money from the government. He adds that he does not even know the individual Jean-Auguste Mesyeux cited as a witness to Richard's alleged deal with Preval. [passage omitted]

This news conference was held following a demonstration on 10 June of about ten organizations, including several thousand people, who pledged their support to the Preval government. On 9 June, Operation Storm Wind had also gathered several thousand people who asked for dismissal of the Preval government on the grounds of incompetence.

Hundreds Demonstrate for Higher Minimum Wage

FL1207011291 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 11 Jul 91

[Excerpts] Yet another demonstration took place in the capital on 10 July. It was organized by hundreds of workers asking parliament to reconsider its decision, voting 28 gourdes as the minimum per diem wage as proposed by Senator Clark Parent, instead of the 24 gourdes voted by the chamber of deputies. This demonstration ended in front of parliament where the organizers spoke, criticizing the behavior of certain parliamentarians, and asking workers to unify to defend their interests. They pointed out that the country can do without parliament, but it cannot survive without workers. [passage omitted]

The demonstrators asked Senator Clark Parent to speak. During his speech, the senator reminded them that it was he who had proposed the 28-gourde minimum wage to the chamber, but that the parliament had voted for only 24. Senator Parent asserted that his legal responsibilities ended once the chamber voted the law, but invited the workers to continue putting pressure on the senators until the workers received satisfaction. [passage omitted]

It was during the month of April that Senator Clark Parent proposed 28 gourdes as the minimum wage. On Labor Day, 1 May, the president of the country said in Damien that he felt 25 gourdes would be a fair minimum wage, but that he hoped his opinion would not influence the parliamentarians' decision. Yesterday's demonstration occured two weeks after parliament agreed on a minimum wage of 24 gourdes.

Economic Correspondent on Impact of IMF Loan

FL1607220591 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 15 Jul 91

[Excerpt] Haiti has just signed... [changes thought] Haiti has just been awarded a donation, let us say Haiti is receiving help from the International Monetary Fund [IMF]. What is in this contract that Haiti has signed? Details are explained in a report from our colleague, Franckel Valentin:

[Begin Valentin recording] The most important headline in economic news this week is the meeting of the consultative group for Haiti, which was organized under the banner of the World Bank in Paris. To quote Haitian

Minister of Planning and External Cooperation Renaud Bernardin, Haiti has won a complete victory at this meeting. The sponsors have decided to grant $345 million to the Haitian Government. The Haitian Government followed five steps in organizing this meeting. First, it requested that the group should meet. Second, it welcomed IMF officials to the country. Third, and this step is the most important, the Haitian Government wrote a letter of intention to the IMF which in fact had been virtually dictated by the IMF. Fourth, after Haiti had signed the letter of intention that the IMF had dictated, the IMF loaned money to Haiti. Fifth, the World Bank convoked the meeting.

But it was in the letter of intention that the IMF imposed its conditions on the Haitian Government. The people who read HAITI EN MARCHE this week understand what we are saying. The letter of intention is dated 3 July. The Haitian Government sent it to Managing Director of the IMF Camdessus, signed by the Haitian minister of finance and the governor of the Central Bank.

The letter of intention is accompanied by a 15-page document, entitled: Memorandum on the Haitian Government's Economic and Financial Policy. The central point of the document is that in exchange for the IMF loan of $21 million, the Haitian Government has committed itself to making reforms in the economy. What kind of reforms will the government make?

1) The Haitian Government has committed to making fiscal reforms by creating new administrative units that will establish requirements, control, and collect money from those citizens who owe money to the state.

2) The government has committed to considerably increasing the number of people required to pay taxes on turnover, the tax called TCA [expansion unknown].

3) The government has committed to continuing its reduction of personnel in government enterprises, while investigating how best to sell such companies as the Flour Mill, Cement of Haiti, Teleco, and Electricity of Haiti.

4) The Haitian Government has also committed to not interfering in any control of product prices. This means any business can unilaterally set the price of any merchandise at any time. There will be no protection for the poor against the high cost of living.

5) Import licenses will no longer exist. The country will be overrun with imported rice. This will effect the Artibonite peasants who are already being hurt by smuggling. Taxes on imported rice and sugar will decline. The competition between imported and domestic rice and sugar will increase.

6) The Haitian Government has accepted devaluation of the gourde. Seven gourdes, more or less, will equal one U.S. dollar. Up until now, when the Haitian Government has used dollars to pay the petroleum companies for gas purchases. The official rate of exchange has been five gourdes to the dollar. This rate of exchange will no longer exist. We can expect an increase, over the next few days, in the price of gasoline of at least 50 % because the petroleum companies will now be paying more for this product.

7) The price of items abroad will also increase by at least 50 % because the Haitian Government has agreed to levy taxes on items brought into the country, not at the rate of five gourdes to the dollar, but at the rate the dollar is being sold at on the unofficial market, plus an additional tax of 5 % on items bought abroad.

8) The government had fixed the interest rate of bank loans at 18 to 22 percent. Now the Haitian Government will no longer have the right to set interest rates. It is therefore possible that interest rates can increase by as much as 25 percent because the rates will be fixed by the banks, based on current market rate.

9) Finally, the Haitian Government has committed to not contracting any other debt without authorization of the IMF, and has agreed to receiving two IMF inspectors a year so the Fund can verify the programs for which they are lending the $21 million to Haiti.

They will provide these funds in five installments, to be paid every three months. The dates of the two IMF visits have already been fixed for 30 November 1991 and 30 May 1992.

These are the conditions imposed by the International Monetary Fund in exchange for a loan of $21 million. Before the Haitian Government begins receiving payment, it must present to the sponsors technical studies of the projects. The money will be released according to whether the sponsors accept or reject the plans. This contract Haiti has signed with the International Monetary Fund allows for the possibility that the prices of products will increase, and that the cost of living will become higher in Haiti during the days to come. [passage omitted] [end recording]

PUCH's Theodore Criticizes Government Team

FL1607161091 Port-au-Prince Radio Metropole in French 1600 GMT 15 Jul 91

[Excerpt] The Haitian governmental mission which negotiated in Paris with Haiti's creditors is returning home this week satisfied with the concluded agreements. The international community agreed to finance governmental projects assessed at $340 million for 1991 and 1992.

Rene Theodore, first in command of the Unified Party of Haitian Communists [PUCH] feels the people the government put in charge were not up to the task. According to Theodore, all the projects presented at the meeting in Paris had already been prepared by several

international organizations following the elections. Theodore says the government could have obtained much more. [passage omitted]

Government 'Successful' Visit Abroad Hailed

FL1307003491 Port-au-Prince Radio Metropole in French 1600 GMT 12 Jul 91

[Excerpts] The Western sponsors in Paris on 10 and 11 July took it upon themselves to offer $340 million dollars to aid development in Haiti. This assistance, which is for the period from July 1991 to December 1992, is designated to finance social and economic development projects, including balance of payments assistance. The World Bank asserts that the international financial institutions agree, following recent consultations with the Aristide government, that with appropriate macroeconomic policies, and adequate external aid, Haiti can expect to achieve positive growth in volume of its gross national product for fiscal year 91-92, balancing its negative growth during the current accounting period.

Representatives of 11 countries, including the United States, France, Great Britain, and Germany, and ten international organizations from within the consulting group on the Caribbean, expressed their firm support of the Haitian Government investment program. Now for a summary of this 10-11 July meeting in Paris, reported by Clarens.

[Begin correspondent Clarens Renoit recording] It was the first completely successful visit abroad for the Aristide-Preval government. The trio of ministers who made a tour of the great Western capitals, especially European capitals, have no doubt just ensured their seats within the Haitian Government. Renaud Bernardin, minister of Planning and External Cooperation, Marie-Michele Ray, minister of Economy and Finance, and Frantz Verela, minister of Public Works, Transport, and Communication revealed themselves as efficient government spokespersons.

Speaking sincerely and frankly, characterized by the Aristide leitmotiv—dignity—each in turn sensitized, motivated, and inspired the international community on Haiti's behalf. Let us cite, among others, the following statement in Creole by Minister Frantz Verela, closing his speech to the consultants on Haiti. I had a dream, he said in Creole. I saw 10,000 Haitians spread out in the streets of Port-au-Prince, chanting this mantra: Major Saint-Jacques, misery is not sweet.

It was a cry from the heart, which probably only the Haitians in the room could understand, but which apparently touched the hearts of the sponsors like a miracle. As proof, they opened their wallets. A sum of over $300 million will be deposited after September, for the 1991-92 period. A direct consequence of this aid will be reinforcement of the political stability of Haiti. [passage omitted].

The Haitian ministerial delegation will return to Port-au-Prince at the beginning of next week, perhaps on 15 July, but in the meantime, Frantz Verela went to Vienna, where he will meet with OPEC, the UN, and other institutions. Renaud Bernardin and Marie-Michel Ray will travel to Geneva, Switzerland, before returning to Haiti. [end recording]

Overseas Fundraising Efforts Bring Results

FL0507201991 Port-au-Prince Radio Nationale in Creole 1300 3 Jul 91

[Excerpt] [Passage omitted] [Reporter Nady] The organization that is raising funds for Haiti's progress, Send Haiti Up [VOAM], held a news conference on 2 July to present their financial accounting, and to thank all those who have helped this organization to perform their civic mission. VOAM said they received help even from the 10th Department [Haitians living abroad], who donated a much-needed computer. VOAM also presented a breakdown of the money received and how it has been used.

[VOAM financial officer Carl Nelson] To date, we have given President Aristide U.S. $780,000 and 500,000 Haitian gourdes. We now have in the accounts $249,111.12 and 111,295.15 gourdes, at the president's disposal. This summary is based on two separate accounts, No. 12301 in gourdes, and No. 12302 in U.S. dollars.

[Reporter Nady] According to one of the speakers, Venel Remarais, new VOAM president replacing Emmanuel Ambroise who has been appointed ambassador to Canada, the fund-raising activity continues for those who wish to contribute. To facilitate the population's participation, VOAM has changed addresses. It has left Pacot, and has moved downtown to Rue Geffrard. Venel Remarais also asks the population to provide much needed help so the organization can carry on with the challenges it is facing.

[Venel Remarais] We invite all our brothers and sisters to continue supporting and helping us; we ask the media to keep supporting us in the work being done because there are many challenges, many problems to be solved. In addition to the problems of unemployment, the high cost of living and hunger, we must face the challenge of Balaguer's arbitrary action in deporting our brothers and sisters after he has exploited them.

[Reporter Nady] According to the organizers, the work has just begun, it is not finished. There was a delegate from Guiana in the room. He said that those in Guiana have already collected 55,000 francs, and that they intend to continue with this collection until they reach 80,000 francs, which they will send in August.

UN Official Presents Two Antidrug Plans

FL1307014291 Port-au-Prince LE MATIN in French No. 30.203 12 Jul 91 pp 1, 6

[Excerpts] [Passage omitted] During a news conference held at the UN office on Ducoste Avenue on 11 July, Dr. Patrick Elie, the committee's [not further identified] coordinator, succinctly presented an outline of two projected antidrug projects. The first plan involves carrying out preventive education within various sectors concerned with the drug plague, while the second project aims at treating and rehabilitating drug addicts. Both projects are to be financed by the UN.

Dr. Elie portrayed Haiti as having been a drug crossroads between Latin America and North America for nearly 10 years. According to Mr. Elie, despite this danger to our society, the governments that were in place before 7 February 1991 had an attitude that was at times indifferent, at times opportunistic. Therefore, they reduced the struggle against drugs to a bilateral arrangement of exclusive cooperation between Haiti and the United States. Consequently, the plague has persisted and has decayed our institutions family, school. Furthermore, according to Dr. Elie, when a person takes drugs, he creates problems not only for himself, but for those around him, in the form of violence, misery, and madness, which effect society as a whole when drug use is prevalent.

The 7 February government has an unshakeable will to struggle against drugs and to effectively collaborate not only with the United Nations, but also with all other countries, including those in the Caribbean and Latin America, and any others that wage war against drug addiction. [passage omitted]

The first project translates to education of youth, parents, and dealers. This program will aim at publishing as much information as possible to concerned partners in order to change society's attitude toward drugs. This education program will last 30 months and will cost $283,000. [passage omitted]

The second project, called "Network Construction for Minimal Service, Treatment, and Social Rehabilitation," as its name indicates, aims at treating and rehabilitating drug addicts. It too will last 30 months. As a consequence, out-patient centers will be established where rehabilitated addicts will be able to meet, interact, and socialize. This project will cost $215,000. [passage omitted]

Acknowledging that there are military men who take drugs, Col. Antoine Athouriste, committee representative for the Army, asserted that this training and information program will reach the Army and that the Army will do all it can to contribute to the success of this plan of struggle against drugs. [passage omitted]

Criminal Court Opens; Lists Important Trials

FL1507230191 Port-au-Prince Radio Antilles International in French 1145 GMT 15 Jul 91

[Italicized passages in Creole]

[Excerpts] With the reopening of the criminal assizes scheduled to begin on 15 July, Minister of Justice Karl Auguste made a public statement on 13 July, during which he commented on the important trials coming up, including those of the Duvaliers, to take place both inside and outside the country. The minister of justice commented on the trial of Roger Lafontant scheduled for 29 July, and of Marc-Antoine Lacroix, accused of having killed seven children in Martissant in March 1990, which had been postponed several times. Let us listen to the minister of justice.

[Begin Auguste recording] We have very important trials coming up, such as the trial of the Duvaliers, *the trial of the Duvaliers abroad. When I say abroad, I mean in the United States, France, and Switzerland. As for Haiti's trying the Duvaliers, action has already been instituted against them. The Duvaliers and their associates will be tried by the criminal courts for all thefts committed during their administration. They will be summoned within two weeks. The examiners will proceed whether the summoned parties appear or not. If not, they will be tried in absentia. [passage omitted]*

You recall that Marc-Antoine Lacroix was not tried during the last criminal session. We have, however, taken all steps so his trial can begin on 15 July. Other common law criminals will be tried during this session which will last from three weeks to one month. During this session, trials will be conducted for those involved in the 6 to 7 January coup attempt, including Roger Lafontant. Although their trials will not begin on 15 July, because there are trials scheduled for each of those days, they will be tried during this session—if I am not mistaken, although I do not yet have the official note in my hands. I have been told by phone—their trials will begin on 29 July, the anniversary of the creation of the Tonton Macoutes by President Francois Duvalier in 1959. [passage omitted] [end recording]

Parliament Approves Office of Prime Minister

FL1307125791 Port-au-Prince Radio Metropole in French 1600 GMT 11 Jul 91

[Excerpts] Yesterday, in activities at the parliament, the Senate approved by a large majority the appointment of Mr. Sony Seraphin, as the Haitian ambassador to the Asian region which has its office in the Republic of Taiwan.

The deputy chamber voted on a resolution presented by Deputy Alexandre Medard that concerns the formation of a special commission to propose to the Assembly the ways and means to commemorate with dignity the bicentennial of the Bois Caiman ceremony on 14 August [organized by the slaves in August 1791 as a prelude to

the war of independence], the slave revolt on 21 August, the Vertieres Battle on 18 November, and the National Independence Day on 1 January. The members of this special commission will be appointed soon. The deputy chamber also voted on the law which creates and organizes the office of the prime minister. The Assembly concluded the vote on this important law which sets guidelines for the chief of the government in conformity with the constitutional provisions. The new guidlines provide the chief of the government with an advice and decision body called the office of the prime minister. This office includes two departments: the special cabinet and the secretariat general. The special cabinet of the prime minister is the advisory body which follows up the prime minister's decisions and is managed under the authority of a head of cabinet which includes permanent services such as security and defense, political affairs, social affairs, and economic affairs. The secretariat general is a permanent structure for the coordination of the government action and the management of the prime minister's office. It is under the authority of a secretary general and includes six services headed by technical advisors.

Yesterday, the office of the deputy chamber remained intact. The office's members did not resign as was announced. At the close of a stormy session held in camera, the office's members retained their post. [passage omitted] The deputy chamber also choose Deputy Samuel Madistin to represent the chamber in Paris at a seminar on French police operating methods during the month of July. Deputy Madistin will observe the effective separation of the French police and Army in order to provide intelligent suggestions when the time comes to vote on the Haitian law to separate these two corps.

Trinidad and Tobago

Appeal Court Rules Muslims Detention 'Legal'

FL0907165291 Bridgetown CANA in English
1525 GMT 9 Jul 91

[Text] Port of Spain, Trinidad, July 9, CANA—The Trinidad and Tobago Appeal Court on Monday ruled there was legal justification for the detention of persons charged in connection with last year's abortive coup. Chief Justice Clinton Bernard was giving reasons for last week's dimissal of the defendants' application for habeas corpus, which argued that their detention was illegal.

Eight out of the 114 defendants filed the application seeking their release. The application was turned down last November by the high court. The 113 defendants—members of the Jamaat al Muslimeen—face treason, murder, kidnapping, and other charges arising out of the coup attempt in which 24 people were killed.

The appeal court which comprised Chief Justice Bernard, Justice Mustapha Ibrahim, and Justice Roger Hamel-Smith, said it disagreed with the arguments of defence lawyer Ramesh Lawrence Maharaj. Among other things, Maharaj had argued that the defendants were in possession of a presidential amnesty and that the high court had erred in refusing to grant leave for the defendants to apply for the writ of habeas corpus.

In its ruling, the appeal court said: "...The applicants have not been wrongfully deprived of their personal liberty, that they were rightly in custody and as such there is legal justification for their detention."

Panday Supports Expanded Caricom Membership

FL0807162791 Bridgetown CANA in English
2142 GMT 6 Jul 91

[Text] Port of Spain, Trinidad, July 6, CANA—Trinidad and Tobago's opposition leader, Basdeo Panday, has said that the Caribbean Community (Caricom) should include the non-English speaking countries of the area. Panday, the leader of the United National Congress, told the Caribbean News Agency (CANA) that he "fully supports" a Venezuela application for membership of Caricom.

"As a matter of fact, I believe that Caricom should include the Spanish, the Dutch and French-speaking Caribbean in addition to Venezuela," Panday remarked. Panday said that the 13 member states were "protective" about the region and this was "killing" trade.

"I think it's inertia, conservatism and possibly an inferiority complex .... (Maybe it) is that the peoples of the Caribbean believe that they cannot compete if the market is open," he added. "I don't agree with that. I just think we don't have the courage and the self-confidence."

The former external affairs minister said Caricom's small market size cannot attract foreign investment, because there are no markets to absorb the trade. "Trinidad and Tobago, for example, cannot attract much investment because the local market is too small and the Caricom market of five million (people) is too small," Panday said. He suggested the twin-island state become part of the Canada/Mexico/United States trading block.

"The ideal thing, of course, is that Caricom should first of all expand, become its own single market, giving time to businessmen to compete on an increasingly competitive stage before entering the trading block," the opposition leader said.

Salinas on Upcoming Ibero-American Summit

PA1707043991 Mexico City NOTIMEX in Spanish 0301 GMT 17 Jul 91

[Text] Mexico City, 16 Jul (NOTIMEX)—Just 48 hours before the opening of the First Ibero-American Summit, Mexican President Carlos Salinas de Gortari has stated: "Integration is not a dream or a metaphor, but something that requires determination."

The Mexican president said that there now is "a notable affinity in the objectives of politics and the economic programs in our countries, regardless of the ideological or political origin of its leaders."

In an interview granted to NOTIMEX, Salinas de Gortari said that "a respect for the self-determination of nations" is the conviction with which the heads of state and of government will go to the summit, "and the proposals will be presented with that same conviction."

Latin America, he pointed out, needs to take very specific steps so that it does not remain behind the world changes: "The establishment of large economic blocs—such as the EC, North America, or the Pacific basin—makes it imperative for us to take advantage of common ideas to establish the bases for a more intense economic relationship.

Salinas de Gortari emphasized that Latin America needs to determine the manner in which it will assimilate the changes that are taking place and the manner in which it will be affected by the same.

"There are many challenges: It is necessary to meet the basic social demands of health, education, housing, and employment. We need to establish the conditions that will allow our people access into the modern industrial processes, dominated by high technology," he said.

With this objective, he added: "It is necessary to have greater cooperation among all the Latin Americans. We must promote scales of cooperation and economic scales that will allow us to compete with the large economic areas that are being formed. Only in this manner will the integrationist zeal stop being a wish and become a reality: Only then will actions have conquered rhetoric."

This summit, the Mexican president added, "is a clear sign that we are seeking specific actions that will translate the integrationist wishes."

Concerning this point, he stressed: "The majority of the Latin American states promote changes in order to open their economies to competition and make suitable their bureaucracies so they will be more efficient, and above all, more just, in spite of their heterogeneous origins."

When asked about the feasibility of expanding the free trade treaty to Central America and the Caribbean, Salinas de Gortari noted: "The characteristics of each nation and past experience suggest that the best path toward integration can be found in formalizing regional, subregional, and bilateral agreements."

That is why, he added, Mexico and the Central American countries "already have a commitment to establish a free trade zone toward 1996."

He cautioned that in efforts to achieve regional cooperation, "past results have always been below the expectations on the matter of integration, which is all the more surprising in an area where the tradition of integration is so deeply rooted."

Salinas de Gortari explained that the formulas applied before were flawed because they were too ambitious in terms of planning and failed to consider realist goals or pre-established timetables for each of the goals to be reached.

At present, he said, "International dynamics impose on us the need to implement more efficient mechanisms of cooperation, perhaps based on sectors or a narrower geographic scope, such as the San Jose Agreement, the Group of Three, and Mercosur [South American Common Market], where the most important thing is not to incorporate all countries or consider all the possibilities but to limit oneself in principle to the closest horizon. [no end quotation mark as received]

The president noted his conviction that the first Ibero-American summit "will constitute an opportunity to strengthen points of agreement and cooperation among our nations."

Culture defines and unites us, he stated, and "It is now a solid foundation on which to establish, through exchange, liberalization, and cooperation among our sovereign nations, an internationally competitive area."

Plans To Deliver COPPPAL Letter

PA1607191491 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 16 Jul 91

[Text] President Carlos Salinas de Gortari agreed to deliver the Valparaiso letter from the Permanent Conference of Latin American Political Parties, COPPPAL, to the presidents who will attend the Ibero-American summit.

The document that was delivered to President Salinas includes a number of proposals to achieve Latin-American integration. Among those proposals are the following:

1. Latin-American integration will be more vigorous if it is based on national and solvent economies.

2. The openness toward other countries is an advantage if carried out under conditions of economic stabilization and if the problems of foreign debts are solved.

3. Democracy depends on the people's will while sharing the responsibility with the political parties. In that regard, democracy does not allow evaluation or coaching from abroad.

4. Democracy is the result of the de jure state and of an economy that allows the development of the entire population.

Ibero-American Coordinator on Mexico's Image

PA1507200791 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 15 Jul 91

["Excerpt" of an interview with Ibero-American summit coordinator Alfredo del Mazo Gonzalez by reporter [first name indistinct] Garcia Medrano on Imevision Television's "Fin de Siglo" program on 14 July—recorded]

[Text] [Del Mazo] There is a good impression out there regarding Mexico's domestic readjustment efforts and there is a magnificent impression of its international activities, its leadership—if you will—even though at times, out of prudence and moderation, we refrain from using the term. However, through this very valuable national effort, Mexico's leadership capabilities and President Carlos Salinas' personal charisma have been acknowledged. It is this leadership that has given us the power to call a meeting of this nature, which is not easy.

I must emphasize that it is very difficult to gather such a large and important group of presidents within this context. For two days they will meet in Guadalajara to discuss various issues.

[Garcia Medrano] The meeting is also so that they can trust one another, act jointly, unify their expectations, and seek change together, isn't it?

[Del Mazo] Seek changes together and tell the entire world that they have a different type of political resolve and that they are closer, more united, more methodical and more organized. I believeb this is part of the importance of this meeting, which also represents for Mexico a means of publicizing its progress and achievements. This meeting constitutes feedback for the process, but overall, in Ibero-America, I would say that we are perceiving something which I hope will be clearly reflected in the Guadalajara meeting. We are perceiving a new Ibero-American spirit. It is as if we were regaining our confidence in our own ability to resolve our problems and to project ourselves towards the future in greater magnitude and broader scope.

This, on a social level, is one of the most important issues because this meeting can provide us with something more: greater cohesion and confidence in our ability to confront challenges. [end recording]

Iraqi Charge Requests End to Economic Blockade

PA1707045491 Mexico City NOTIMEX in Spanish 2334 GMT 16 Jul 91

[Text] Mexico City, 16 Jul (NOTIMEX)—Iraq is against war, but it will never kneel before anyone," [quotation marks as received] the Iraqi charge d'affaires in Mexico, Sabbar al-Hadithi, has said here.

Replying to statements made by U.S. President George Bush about a new probable armed attack in the Persian Gulf, Sabbar al-Hadithi asked the free countries of the world to exert pressure on the UN Security Council so that the economic blockade imposed on Iraq will be lifted.

Otherwise, over 170,000 children will starve to death by the end of this year, the diplomat warned during a news conference held in this city.

Al-Hadithi announced that Iraqi President Saddam Hussayn asked the United Nations to report amply to the international community on the Iraqi people's collaboration with the observers during the destruction of its nuclear installations.

Iraq has never deceived the international community and much less the United Nations, said the diplomat, pointing out that, in spite of the efforts made by his country to comply with the UN resolutions, the United States and England again insist on invading Iraq.

The goal of Bush, exemplified by the economic blockade, is simply to humiliate the Iraqi people and subject them to imperialism, but we will not yield," [quotation marks as received] he said, after reiterating his petition to the international community to intercede before the United Nations.

Although the Iraqi people can reconstruct their country as many times as necessary, it is undeniable that as long as there is an economic blockade, progress will be slow and thousands of children may starve to death.

El Salvador

Priest Comments on U.S. Witness in Jesuit Case

PA1407034591 San Salvador TCS Television Network in Spanish 1200 GMT 8 Jul 91

[Text] According to the Jesuit priest Francisco Ibizate, U.S. Major Eric Buckland's failure to testify in the Jesuit case is the result of special interests. The priest would not elaborate any further but hinted that Buckland could clear up many shadowy matters.

[Begin recording] [Ibizate] There was pressure at that time. He made three or four initial statements saying yes, and later he said he did not know a thing.

It is possible that right now he has conflicting thoughts. No one can invent things like that. There was something real. Undoubtedly he was forced to take back what he had said because of the consequences his statements could have. It was obvious that at that time there were U.S. advisers involved in all that.

[Reporter] You think he is being pressured so he will not testify?

[Ibizate] I do not know that for sure, and since I do not know, [words indistinct]. It is believed that his statements could incriminate the U.S. Government because it could be that U.S. advisers knew about these things. [end recording]

In reference to the recent visit by U.S. Representative Joe Moakley, and specifically to Moakley's opinion that the Salvadoran Armed Forces, as an institution, are responsible for the assassination of the members of the Society of Jesus, the Jesuit priest agreed with Moakley, contrary to the remarks of government officials who have stated their disagreement with the U.S. congressman.

[Begin Ibizate recording] The defense minister, the president, and other important people have been attacking and contradicting the statements made by Representative Moakley, but the people do not know what Moakley said specifically. I think this has been an inefficient position. I think Representative Moakley touched the essential problem, the problem of the institution. The possibility that approximately 9, or 10, or 12, or 15 persons could have pulled the trigger is another matter. [end recording]

It is believed that the Jesuit case will enter its jury trial phase in August. Right now, it is in its confrontation-of-witness phase, waiting for U.S. Major Eric Buckland to testify. He could incriminate other people.

Moakley Told To 'Legislate in His Country'

PA1407130391 San Salvador EL DIARIO DE HOY in Spanish 11 Jul 91 pp 3, 27

[Text] San Salvador Mayor Armando Calderon Sol has asked U.S. Democratic Representative Joe Moakley to "legislate in his country, not in ours."

At a news conference yesterday morning, Calderon Sol publicly asked Moakley "not to meddle in the domestic affairs of El Salvador and not to accuse the Armed Forces without having any evidence."

The mayor, who presides over the Nationalist Republican Alliance, said that Moakley must show respect for the Salvadoran institutions just as the Salvadorans show respect for U.S. institutions.

Moakley, who heads a special House of Representatives committee for El Salvador this past weekend visited this Central American country and suggested that people in the Salvadoran military are covering up for people allegedly involved in the killing of six Jesuits.

Calderon Sol noted: "As a nationalist Salvadoran I have the moral authority and the courage to tell U.S. politicians not to come here to vilify the Salvadoran people."

Calderon Sol said that he is in favor of Moakley defending human rights, but, he noted, Moakley has no right to accuse an institution like the Armed Forces because of actions carried out by individuals.

Calderon Sol said that "the Salvadoran people elect their deputies and representatives just like the U.S. voters elect theirs."

Calderon Sol stated: "I think we have to remind these politicians about this because of the arrogance they have developed just because their technological and economic superiority sometimes makes them forget it."

The mayor criticized that groups such as the so-called Permanent Committee for the National Debate are openly calling on people like Moakley, who on several occasions has made evident his disdain for the Salvadoran people, to "grossly meddle" in El Salvador.

It has been reported that the self-styled Reverend Edgar Palacios has delivered to the U.S. Embassy a letter asking Moakley to come to the country to intervene in Salvadoran domestic affairs.

Calderon Sol called reporters to the news conference to condemn the murder of policeman Martin [Ayala] Ramirez. He also called for continued investigations to clear up this case.

Bishops Reject Civil War, Death Squads' Crimes

PA1507173691 Paris AFP in Spanish 2103 GMT 14 Jul 91

[Text] San Salvador, 14 Jul (AFP)—The civil war and the resurgence of the death squads, which this week slit the throat of a community leader and mutilated his wife, are proof that El Salvador lives in "a war culture....which conceals a brutal contempt for human life," Salvadoran bishops stated on 14 July.

In an analysis of the country's current situation, a few hours before the beginning of the Central American presidents' summit to sponsor peace in the area, the

bishops mentioned the "omnipresence" of violence in El Salvador and renewed the Catholic Church's pledge "to defend human life."

The bishops' declaration was revealed in the capital by Monsignor Gregorio Rosa Chavez, auxiliary bishop of San Salvador, in his Sunday homily. He urged the people to reflect on the hundreds of lives that were lost on the battlefield last week.

Nevertheless, the bishop emphasized that all those deaths "were surpassed by the barbaric assassination" of community leader Martin Ayala, whose body was found tied hand and foot with his throat slit, and the brutal torture of his wife.

"A devastating phenomenon of violence in El Salvador-....conceals such a brutal contempt for human life that one can rightfully call this a culture of death," stated the bishops' declaration.

Within this context, Bishop Rosa Chavez reported on 14 July that the death squads had again threatened members of the "Sisters of the Small Community."

The bishop said that the Salvadoran church is extremely concerned about the increase of human rights violations; a delegation of the church met with Salvadoran President Alfredo Cristiani to state its concern about the resurgence of the death squads.

"President Cristiani knows very well what we think and what we want—impunity must not be the rule," said Rosa Chavez, who reproached the government for the fact that "its promises of conducting an investigation are never met."

Likewise, referring to the Central American presidential summit that will begin on 15 July in San Salvador, Bishop Rosa Chavez said he hopes that the presidents will realize "grave problems prevail in the region."

The Salvadoran bishop was not too enthusiastic about the summit's political results, but he said: I trust that "the fact that the summit will be carried out in a country at war will take priority" on the Central American presidents' agenda.

Armed Forces Report on Clashes With Rebels

PA1507034391 San Salvador Radio Cadena YSKL in Spanish 0127 GMT 15 Jul 91

[Report issued by the Armed Forces Press Committee, Coprefa, in San Salvador on 14 July; read by unidentified Coprefa official]

[Text] Eighteen dead terrorists have been found by troops during a combing operation by the 2d Infantry Brigade in Encumbrado Canton in Agua Caliente jurisdiction, Chalatenango Department.

The 5th Brigade reported that 10 soldiers and three terrorists were killed and 12 soldiers wounded in armed actions in the country's paracentral area. The military report indicated that the clashes began at 0630 and ended at 1500 on 14 July near Hacienda Miramar, El Cuchuyo Canton, Finca Primavera, and the outskirts of the city of San Vicente.

The Atonal Battalion reported that two subversives were killed and four soldiers wounded in clashes near San Francisco Javier in Usulutan Department, 104 km from San Salvador.

The Belloso Battalion reported that one terrorist was killed and two others wounded in clashes in Los Rivera in San Jose Guayabal jurisdiction, in Cuscatlan Department.

Two paramilitary men were killed in a terrorist ambush on the northern trunk highway near Sensuntepeque in the jurisdiction of San Jose Las Flores, 15 km from San Salvador.

A soldier was killed and another was wounded in clashes between terrorist groups and members of the 1st Infantry Brigade when the terrorists were turned back in San Jose Las Flores, in Apopa jurisdiction, when the terrorists concealed themselves among the civilian population. The members of the FMLN [Farabundo Marti National Liberation Front] once again violated human rights by hiding among the population so as to open fire on the Army troops. This occurred on 13 July in San Vicente and in San Jose Las Flores, where the terrorists seriously endangered thousands of residents.

In the southern area of San Vicente, several houses were damaged by the FMLN after its members tried to enter the city. The Armed Forces, fulfilling their constitutional mission, defended the people from terrorism even at the cost of the sacrifice of Army troops.

FMLN Attacks, Clashes 6-11 Jul

PA1607170891

[Editorial Report] Salvadoran media carried the following military reports on clashes between Farabundo Marti National Liberation Front, FMLN, guerrillas and Salvadoran Army troops, on 6-11 July.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 7 July broadcasts a two-minute military report on clashes. The report states that at 0700 on 6 July, END [National Army for Democracy] units ambushed a Cacahuatique Battalion company and Military Detachment No. 4 commandos from Morazan. As a result of the ambush, seven soldiers were wounded, including a corporal. In addition, "our units recovered two cartridge belts for M-60 machine guns and other war materiel, which the enemy left behind." According to the FMLN, the ambush occurred in Morazan Department.

Radio Farabundo Marti at 0000 GMT on 9 July carries two minutes of reports saying that FMLN urban commando units carried out intense military and political actions in different parts of San Salvador. "A lieutenant and at least three policemen were wounded during

intense clashes that took place from 0400 to 1000 on 8 July near Los Chorros resort, on the road between Santa Ana and San Salvador, in La Libertad Department," stated the report. Another report from the Modesto Ramirez Front states that at 0800 on 8 July, END units inflicted one casualty on the 1st Infantry Brigade near Los Lirios hill, San Jose Guayabal jurisdiction.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 9 July carries five minutes of reports on more clashes between FMLN guerrillas and Army troops. The first report states that the clashes began at 0500 and lasted until 0730 on 7 July in Los Castro hamlet, Plan Grande region, Chinameca Jurisdiction, San Miguel Department. Fleeing in disarray, the enemy left behind the bodies of three Jucuaran Battalion soldiers, including a sergeant. In addition, they left behind a wounded soldier, who was taken prisoner and later turned over to residents of Las Marias region. Radio Venceremos states that "as a result of the clashes, 15 casualties were inflicted on Jucuaran Battalion, including the death of a sergeant." In addition, the FMLN rebels seized eight cartridge belts for M-60 machine guns, 1,000 rounds for M-16 rifles, eight grenades for M-79 grenade launchers, an M-18 mine, six military knapsacks, and other war materiel. According to Radio Venceremos, "the END reported a slightly wounded rebel."

San Salvador Canal Doce Television in Spanish at 0300 GMT on 9 July carries a one-minute report saying that at least eight people were killed and 10 were wounded during clashes in Usulutan Department on 7 July. According to the Armed Forces Press Committee, Coprefa, six guerrillas and two 6th Infantry Brigade soldiers were killed during clashes in Jucuapa Jurisdiction and 10 other soldiers were wounded. Another Coprefa report states that another rebel was killed and two others were wounded during a clash with Arce Battalion troops near Ciudad Barrios, San Miguel Department.

San Salvador Radio Cadena YSKL in Spanish at 1200 GMT on 9 July reports that according to military sources, at least nine people were killed and 14 were wounded, both rebels and soldiers, over the weekend of 7 July.

Radio Venceremos at 0000 GMT on 10 July carries a three-minute report saying that on 8 July, END forces carried out a military maneuver called: Let us all fight against evictions and repression. According to Venceremos, the actions began at 0500 when a large stretch of the Panamerican Highway was taken over by the guerrillas in Los Chorros and La Pedrera de Colon. "After six hours of clashes, eight casualties were inflicted on the Army troops, including the deaths of a lieutenant and two rebels," the FMLN reports.

Radio Farabundo Marti at 0000 GMT on 10 July carries 10 minutes of reports on more fighting between FMLN guerrillas and Army troops. According to the rebel station, at 0300 on 9 July END units initiated a maneuver against troops from Military Detachment No. 4 and Cacahuatique Battalion troops in the areas known as Las Mesas and Copan Hills, Cacaopera Jurisdiction, Morazan Department. "As a result of the maneuver, 32 casualties were inflicted, 30 on Cacahuatique Battalion troops and two others on troops from Military Detachment No. 4. The casualties included a sergeant, a corporal, and a radio operator," the rebel station reports. The report also says that a guerrilla was killed in action.

Finally, San Salvador Radio Cadena YSU in Spanish at 1200 GMT on 11 July carries a one-minute report saying that on 11 July, guerrillas carried out a maneuver called: If the Armed Forces want our weapons, they must win the war. The radio station states that at 0545 on 11 July, FMLN urban commando units attacked a National Guard patrol with hand grenades and rifle fire in northern San Salvador. "According to official sources, three soldiers were wounded," the station reports. However, Radio Cadena YSU claims it has received telephone calls from an FMLN urban commando spokesman saying the rebel attack left two guardsmen dead.

Correction to Cristiani Questioned on Cuba

PA1507135491

This correction pertains to the item headlined "Cristiani Questioned on Cuba, Other Issues," published in the 15 July Latin America DAILY REPORT, page 8:

page 10, column one, paragraph four, first sentence, make read...or sponsor the United Nations role as mediator...(correcting sentence)

same page, paragraph five, first sentence, make read-...mediation by the United Nations. There is no...(correcting sentence).

page 11, column one, second full paragraph, first sentence, make read...group (?will come to this country) on 16 July. There have....(adding dropped end parenthesis of queried phrase)

Panama

Government Sues BCCI for Noriega Money

PA1607163491 Panama City EL SIGLO in Spanish 15 Jul 91 pp 1, 14

[Report by Aneldo Arosemena]

[Text] The Panamanian Government has instituted a civil suit in a South Florida District Federal Court against the International Credit and Commerce Bank [BCCI], which has had its offices closed in Panama and other countries within the framework of what international experts are calling "the financial scandal of the decade."

The lawsuit was instituted last year by the government of President Guillermo Endara through the Holtzman, Kynzman, and Equel law firm. The suit is based on the fact that the BCCI gave former dictator Manuel Antonio Noriega facilities to send abroad millions of dollars that belong to the Republic of Panama.

The BCCI initiated operations in Panama in 1980. It was introduced in the country by Ernesto "Tito" Vegas, former manager of another bank that has been closed, the Interoceanic Bank (INTERBANCO). It was dedicated on 22 April 1980 by then President Aristides Royo, who had been picked for that position by the military.

On 5 July of this year, the Panamanian Banking Commission closed BCCI operations within the framework of an international measure promoted by state financial investigation organizations, which involved at least 16 countries of Europe, the Americas, and Asia, where the bank carried out operations to, among other things, launder money from drug trafficking.

At the end of last year, at the request of the Panamanian Government, the Office of the Florida State Attorney ordered retention of the $18 million bond that the BCCI had deposited to guarantee its banking operations in Florida.

One of the defendants is Amajad Awan, a British banker of Arab descent. He is believed to have been Noriega's "personal" banker. The suit that has been instituted is a civil suit. It is intended to allow Panama to recover at least $1 billion that were appropriated by Noriega and that he deposited in BCCI branches throughout the world.

EL SIGLO has a report prepared by the Office of the Comptroller General. This report, which was published in March of this year, indicates that in addition to the BCCI, other banks were used to make Panamanian state money appropriated by the narco-dictator "disappear." Here is an excerpt of that report:

7. In February 1988, the balance of two accounts (No. 03001734 and No. 01010571) in the Edgeware Road branch was transferred to two different accounts in the Luxembourg branch of the BCCI. The funds in account no. 03001734 were transferred to account no. 01164492 in the Luxembourg branch. The amount in these funds totalled $14,877,667.86. The funds in Edgeware Road branch account no. 01010571 were transferred to the Luxembourg branch account no. 01164505. The two new accounts were opened in the name of Antonio Noriega.

8. The BCCI group later allowed the transfer of these funds to two other accounts, one in the Union Bank of Switzerland in Zurich (account no. 75.922.71L) and another in the Deutsche Sudamerikanische Bank in Hamburg, FRG (account no. 135-021-00/400). These accounts were opened in the name of the National Bank of Panama, but the opening documents were signed by Manuel Noriega.

9. Noriega also made arrangements to open an account at the National Bank of Panama in the name of "Findlays," "Findlay International Company," or "Findley's International Ltd.," which reflected a false deposit for more than $23 million. Everything indicates that the funds that were apparently deposited in Findlay's account in Panama are still in Switzerland and Germany. The false deposit in Panama was intended to cover up a loss of money that had, or would, occur due to a transfer to London—in the name of, or to benefit, Noriega.

10. Following the aforementioned transactions, the funds maintained in Switzerland and Germany were transferred to London and the name of the account was changed. In September 1988, funds in the amount of $12,232,621.48 were transferred from the Deutsche Sudamerikanische Bank to an account in the Middle East Bank in London, on behalf of "Findlays," the "Findlay International Company," or "Findley's International, Ltd." Simultaneously, the amount of $11,053,777.78 was transferred from the Union Bank of Switzerland to the same account in the Middle East Bank. Everything seems to indicate that Findlay or Findley's is a bogus organization and that Noriega, somehow, still controls those funds.

11. As far as the Republic of Panama is concerned, the transactions appear legitimate, and today they represent original funds [fondos originales] in the Republic of Panama. Even though the amount decreased due to withdrawals by the Noriega family, it has also increased substantially due to interest and other revenues, which have accumulated since the original deposit was made in 1982.

12. Another method used to channel funds to a Luxembourg account—and from there to the Middle East Bank in London—was through accounts in the name of Noriega's wife and daughters (Felicidad, Lorena, Sandra, and Thays).

13. Three accounts at the BCCI Group's branch on Sloane Street were in the name of Felicidad de Noriega. All the funds were the property of the Republic of Panama. All the money in those accounts was later transferred to a BCCI Group's branch in Hyde Park, London, in April 1986.

To conclude, EL SIGLO has consulted with lawyers about the possibility that the lawsuit filed by the Panamanian Government against the BCCI will be rendered null because the Directorate for the Recovery of State Property has played a leading role in the case, and it is currently involved in a public controversy—Attorney General Rogelio Cruz has said that several of the articles that called for its creation violate the Constitution.

Argentina

Carlos Menem on Guadalajara Summit, Integration

PA1607181391 Mexico City Red Nacional 13 Imevision Television in Spanish 1456 GMT 16 Jul 91

[Comments by President Carlos Menem to Imevision journalist Epigmenio Ibarra at the presidential palace in Buenos Aires; date not given—recorded]

[Text] The Guadalajara summit might not have been too auspicious five years ago because we had different political styles—democracies in some countries, pseudo-democracies in others, and tremendous dictatorships in others. Therefore, the positions, views, and rights were completely different for the citizens of the countries that will now meet in Guadalajara, Mexico. That is why, I say that the essential particularity right now is democracy and liberty—a lifestyle for which all Latin Americans have struggled.

I would like to have the assurance that all the presidents and heads of state are currently following the same path—toward the integration of the Latin American countries. The process was one of the great ideals of our liberators, who struggled to achieve our overall independence. I can assure you that no country on this continent has a future as an isolated nation. If we manage to unite and if we manage to establish an [economic] zone, which is something we are working on, then our future is truly promising. Currently, integration and the integration process is the challenge for Latin America and for the continent, because there are evidently new legal methods within this new order.

The international legal methods are diametrically opposed to what has prevailed until recently. There is a new economic order—to the degree that even the Soviet Union, and the countries that comprised the Warsaw Pact, are talking about an economic opening and a social or popular market economy. There is....[changes thought] I would say that old ideologies have been replaced by ideas that have been developed based on proposals and principles which take customary practices into consideration. All this has evidently been learned in recent years. The Russians and those who comprised the Warsaw Pact—which has already disappeared—have eventually understood that the only way to allow national growth and development is to live amid democracy; and they are undoubtedly trying to live amid democracy.

All of this represents experience and countries that had somehow failed to achieve progress are trying to assimilate and implement the new order that has arisen and is being developed. This includes our countries. We must now strive to become good partners with the United States. The United States is a good partner for America—the rest of America—and we must become good partners with the United States. We must share everything that allows shared growth and development among—I repeat—all the countries on the continent.

I believe that the conditions exist. The Argentine people had adopted an attitude of isolation, permanent neutrality, therefore, we have not fared well. We are becoming part of the new world, as we should, and we are faring quite well. Relations between the United States and Argentina have never been as good as they are today. There is equal treatment and there are equal opportunities. The United States once tried to exercise the, well, leadership that it has exercised over other countries around the world. We had many problems, many obstacles, however, with the opening in our economy and given the attitude for integration, we are faring well in our relations with the United States. I believe that Mexico and other countries around the world are also faring well. It could not be otherwise. We live, I repeat, in a world that is completely different from the one we had a few years ago, when we were divided.

What the people want, beyond ideologies that, in my opinion, are progressively disappearing....[changes thought] I can mention Marxism, which is an obsolete ideology, because it is not even an ideology anymore. When I say this, I mean that customary practice and experience prevail over ideologies. That is what is happening in my country right now. What the people want and what I am talking about are good administrations rather than ideologies. When people elect their leaders, they want the leaders to administrate very well the things that they, the people, turned over to them for administration.

Argentina was a failure in recent decades, because it changed from being a powerful and rich country with exceptional natural resources and truly significant human resources, into a country that failed to evolve, that came to a standstill, and that was on the verge of civil war a couple of years ago. Why did this happen? It was due to the terrible and fraudulent administrations that the Republic of Argentina had to withstand. To think that we were ranked among the 10 leading countries in the world 30-35 years ago! We were one of the 10 leading countries in the world, and now we are currently in the 85th place.

What are we doing right now? We are reversing the situation based on customary practice and based on the need to administrate the country as it should be—without grants, privileges, or demagogic attitudes, and without assuming what could be described as a reign and administrating the people's resources, taking into consideration ideological and party issues. This is over in Argentina. I have said time and again that I did not assume the leadership of the Republic of Argentina as the president of a party, labor union, or enterprise. When I assumed the Presidency of Argentina, I took into consideration what the Argentine people want—an efficient, honest, and loyal administration of public finances, meaning assets that belong to the people.

Sambrizzi Put on 'Pending Assignment' Status

PY1607170891 Buenos Aires TELAM in Spanish 1601 GMT 16 Jul 91

[Text] Buenos Aires, 16 Jul (TELAM)—President Carlos Menem at noon today put Brigadier Hector Sambrizzi on "pending assignment" status. Sambrizzi is thus relieved of the post which he held in the Argentine Embassy in Washington.

This information was provided by the Olivos residence by Defense Minister Erman Gonzalez who said: "Following an evaluation of the situation with the president, we considered it best to place that officer on pending assignment status."

Gonzalez also said that Brigadier Julia [title as received] "continues to be the Air Force chief" and that the situation in the Armed Forces is "normal."

Menem Suspends Relative From Government Post

PY1707012891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2251 GMT 16 Jul 91

[Text] Buenos Aires, 16 Jul (NA)—President Carlos Menem signed a resolution on 16 July suspending his sister-in-law Amira Yoma from her position as secretary of audiences, until the court action against her is resolved.

A government source released the information tonight. The source said that Jorge Maiorano, Legal and Technical secretary, brought the resolution to the palace so Menem could sign it before leaving for Mexico.

Bolivia

President Departs 16 Jul for Summit in Mexico

PY1707014091 Madrid EFE in Spanish 0000 GMT 17 Jul 91

[Excerpt] La Paz, 16 Jul (EFE)—Bolivian President Jaime Paz Zamora traveled on 16 July to Guadalajara, Mexico, to participate in the Ibero-American summit of chiefs of state and government on 18-19 July. Twenty-three heads of state, including those of Portugal and Spain, will participate in the summit.

Paz Zamora, along with Foreign Minister Carlos Iturralde and an entourage of 15, departed for Mexico at 1810 (2210 GMT) on a Military Air Transport (TAM) plane.

President Paz Zamora is the first Bolivian president to officially visit Mexico. [passage omitted]

Further Reportage on Extradition Positions

Announced 'Within 48 Hours'

PY1607181491 La Paz Television Boliviana Network in Spanish 1700 GMT 16 Jul 91

[Text] Within the framework of the government's struggle against narcotics, special attention is being given to the extradition issue. Rumors that the U.S. Government will release a new list of extraditable drug traffickers are creating doubts about the situation of the drug traffickers who have voluntarily surrendered. Interior Minister Carlos Saavedra Bruno has reported the following:

[Begin Saavedra recording] In summary, we can say this morning that we explained to President Paz Zamora, the legal situation of those involved with drug trafficking, who decide to surrender and the way Bolivian justice would deal with them. We are consulting the various branches of the government, because this is a very serious issue, and deciding how to handle it is a great responsibility. It has been confirmed, however, that within 48 hours, at the most, the government will report on its definite proposal on the surrender of drug traffickers in Bolivia. [end recording]

U.S. Position Clarified

PY1607133891 La Paz Radio Fides Network in Spanish 1100 GMT 16 Jul 91

[Text] Supreme Court President Edgar Oblitas Fernandez has reported that the U.S. Embassy has not filed an official petition for the extradition of any drug traffickers. Oblitas added that the U.S. Government has simply requested the preventive arrest of three members of the family of Jorge Roca Suarez, alias Techo de Paja, and said that it will file a petition for their extradition later [as heard]. The Supreme Court will report on this petition whenever it is filed.

Court President Comments

PY1607115091 La Paz La Red Panamericana in Spanish 0000 GMT 16 Jul 91

[Text] According to Supreme Court President Edgar Oblitas, the judicial branch will strictly abide by the law and follow the current extradition treaties.

Oblitas admitted that there are two thorny issues in this field. The first refers to the U.S. request for the extradition of three relatives of drug trafficker Techo de Paja [Thatched Roof], and the second refers to the request that the Bolivian Government will make to the Argentine Government to extradite three Bolivian citizens arrested in Argentina. These three Bolivians have cases pending in the Bolivian court.

Oblitas added that in assessing these issues several treaties must be taken into account, like the one signed in 1900 with the United States, the multilateral agreement

signed with all Latin American countries, and the one signed in 1927 which is known as the Bustamante Code.

Oblitas also mentioned the Vienna Treaty signed in 1983, which refers to cases of extradition of individuals charged with drug trafficking.

[Begin Oblitas recording] As you can see, it is only normal to [words indistinct] these cases and the Supreme Court will carefully and meticulously assess each case so it can decide whether it as feasible or not [word indistinct]. [end recording]

Oblitas referred to the decision of some drug traffickers to surrender to the Supreme Court on condition that they will not be extradited. He said that the law calls for preferential treatment for these individuals, because their decision to surrender will be an extenuating circumstance in determining their sentences.

[Begin Oblitas recording] It is a significantly extenuating circumstance that may allow a reduction of their sentences. This may allow their sentences to be reduced from the maximum to the minimum. It depends on each individual case. It is a positive decision for those who wish to be tried by the ordinary court. [end recording]

Oblitas said that the possibility of not being extradited must be accessed separately, always taking into account existing extradition treaties.

Possibility of Country Joining Mercosur Viewed

PY1707013691 La Paz Television Boliviana Network in Spanish 1700 GMT 16 Jul 91

[Text] Bolivia might join the Common Market of the South [Mercosur] in 1994, because our country is planning to take a definite political direction that year.

A favorable factor for our country is that Mercosur members have said that they would like Bolivia to join soon. In this regard, Presidency Minister Gustavo Fernandez said:

[Begin Fernandez recording] We obviously want to develop close and well-defined ties so that our country can fully develop its integration potential within continental organizations like the Andean Group and Mercosur.

Now that Mercosur members have stated that they are politically willing to develop close ties with Bolivia, the appropriate thing to do is to perform the necessary technical and diplomatic work, in order to accurately define the legal steps leading to implementation of that political will. [end recording]

Corruption Among Police Personnel Reported

PY1607124291 La Paz La Red Panamericana in Spanish 0000 GMT 16 Jul 91

[Text] Gonzalo Ruiz, chairman of the Senate Human Rights Committee, has said that he was threatened by a police chief after he reported corruption cases among police personnel.

Ruiz, who is a member of Conscience for the Fatherland, said the commander of the Criminal Investigation Department has questioned the attitude of the committee and its chairman about the immunity of lawmakers.

[Begin Ruiz recording] I will report these remarks to the Chamber of Deputies board, because veiled threats cannot be tolerated. That is, if I had not been a lawmaker and if I had no Constitutional privileges, they would have obviously have done whatever they wanted; arresting me or torturing me. (?This is what they wanted to do).

As for the police personnel involved, we submitted this afternoon a report to the Interior Ministry and to the police general commander, seeking to bring them to court. Those who are not guilty must provide the corresponding evidence in court. [end recording]

Ruiz announced that in the next few days, he will host a press conference to provide further information on other corruption cases among Bolivian police personnel.

Brazil

BCCI Ends Operations; Credit Lines Canceled

PY1607154091 Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Jul 91 Third Section p 10

[Report by Antonio Matiello; use of acronyms as published]

[Text] The Bank of Credit, Commerce, and Investment Inc. (BCCI), a subsidiary of the Bank of Credit and Commerce International (BCCI), will cease all operations in Brazil following the liquidation of its existing contracts, which are worth approximately $14 million. This decision was made following the closure of all BCCI branches in the 68 other countries where it operates and following charges that it is involved in illegal business with drug trafficking money.

FOLHA has learned that all BCCI lines of credits have been canceled. This decision was made by BCCI shareholders, who met this week. The decision seeks to avoid further effects of last week's bank closure that was ordered by monetary authorities in the United States, Great Britain, Luxembourg, Switzerland, and Spain.

When the closure of the two branches in Brazil, one in Sao Paulo and one in Rio de Janeiro, was announced, the BCCI made its records available to the Central Bank in Brasilia.

Although a routine analysis of the banks' records was made only two months ago, Central Bank technicians this week twice visited the BCCI in Sao Paulo for additional examinations.

The BCCI in Brazil claims that it does not owe any public debt and that it is up to date with its obligations with the Central Bank. Reportedly, Central Bank technicians went to see if there had been any change in bank operating procedures.

The BCCI was founded in 1987. It finances Brazilian exports for approximately 30 clients, all of them large enterprises, including some multinational companies. The Luxembourg-based BCCI is controlled by the government in Abu Dhabi, which owns 50 percent of the shares and 33 percent of voting stock.

Soviet Immigrant Prospects Denied Entry Visas

PY1707025691 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Jul 91 p 3

[Report by Jaime Spitzcovsky in Moscow]

[Excerpts] The slogan "country of the future" is at an ebb in Brazil. More than 123 Soviets had bet on "the Latin American giant" and tried to obtain visas to emigrate to the tropics. However, they were barred by the restrictive Brazilian visa policy.

Brazilian Embassy records show the number of visa requests made in the April 1990-April 1991 period. Engineers headed the list with 41 applications; physicians are next with 17 applications. Workers, seamstresses, and drivers are also among the emigrant prospects to Brazil. [passage omitted]

All applications ran into the job market-protectionist policy within a country that had been the promised land for countless immigrants. [passage omitted]

* 1991 Influx of Foreign Investments Examined

91SM0390B Sao Paulo GAZETA MERCANTIL in Portuguese 21 Jun 91 pp 1, 3

[Article by Brasilia correspondent Claudia Safatle]

[Text] Direct foreign investments reached the $500 million mark between January and May of this year, thus reversing a trend that started with the foreign exchange crisis of 1982/83. Last year, net cash investments totaled $35 million in the first quarter, compared with $300 million in the same period of this year. During all of 1990, net direct investments were $65 million; in 1989 the figure was $125 million, and in 1988, $200 million.

That is one of the encouraging bits of information gathered by economists when they calculated the balance of payments for the first few months of this year. Data for the first quarter of 1991 are still being finalized, but a positive balance in current account of $400 million has already been recorded, (represented by the difference between the trade balance and the services account).

However, Central Bank experts do not see a definite trend in this surplus in the current transfers account, unless the trade balance results in a surplus on the order of $16 billion this year, which they find unlikely.

At any rate, on the direct investments side, inflows during the first five months would, on an annual basis, represent equity investments on a scale equivalent to that of the 1970's.

Economists suspect that this inflow of direct investments represents the return of Brazilian capital that had left the country in recent years, especially since 1985. It is said to have been caused primarily by business's need for working capital. In addition, real internal interest rates are more attractive than remuneration on the international market. So the development has nothing to do with any sort of recovery of foreign investor confidence in domestic economic stability.

Ambassador Jorio Dauster, Brazil's negotiator on the external debt, said in testimony before the Chamber of Deputies Foreign Relations Committee last Wednesday that the figure of $40 billion would represent a "rough idea" of the volume of capital that has fled Brazil for foreign countries in the past five years. He insisted that this information did not come from the Central Bank, which has made no such calculations. Instead, the figures were developed by foreign banks and in academic studies. "The important thing is that the capital flight process exists. It could be $35 billion or $40 billion, but the trend established itself in Brazil much later than in other Latin American countries." Whatever the figure, according to Dauster it represents a mass of funds that are on deposit with overseas financial institutions.

"This is not money that is invested in production, but is deposited in some bank overseas, ready to return as soon as the internal situation becomes more stable," he said.

Just as the risk investment account is rising at an accelerated pace, the profits and dividend remittances account has fallen off in recent months. During the first quarter of last year, foreign firms remitted something like $1.3 billion. During the same period of this year, the volume fell to $300 million. "In a very serious recession like this one, there should be no profits to remit," observed one of the government's experts on external accounts.

On the transactions in current accounts side, performance of the first quarter of this year led to a surplus of $400 million, resulting from an observed surplus of $3.5 billion in the trade balance, compared with last year when the positive balance was only $1.8 billion.

The services account (measured by the accrual method, which counts the interest payments due, even if not paid) showed a deficit of approximately $3.1 billion. Interest payments on the debt that were due between January

and March totalled $2.2 billion. Expenses for transportation (freight, ship charters, and expenses incurred in international ports) were $400 million. Spending on international travel (calculated at the tourism rate for the dollar) were in balance. The remainder fell under the heading of "other services." Unilateral transfers (donations, inheritances, and transfers of assets from outside Brazil) weighed in with a favorable balance of about $300 million. Thus the trade balance recovered sufficiently to cover the expenses on services and still generate additional receipts of about $400 million.

Experts in the economic field are not betting that the surplus in current account will continue throughout this year because that would require a trade surplus on the order of $16 billion, which appears unlikely. Last year the balance in current account was $1.79 billion on the minus side, the result of a services deficit of $13.75 billion, for a trade surplus of $11.02 billion.

During the first three months of this year, the flow of capital was $3.5 billion in the negative direction, reflecting an exit of funds larger than the inflow. Since this is an outflow of capital measured on the accrual basis, it includes payments on the foreign debt that were not actually made.

"Problem Poorly Resolved"

Ambassador Dauster says the foreign investment issue is "poorly resolved" in Brazil. According to him, an inaccurate view persists, i.e., that foreign investors are pressuring the Brazilian government to change the laws and make it easier for them to come in. The ambassador emphasized that, on the contrary, "no one is knocking on our door."

* Trade With USSR Viewed With Pessimism

91SM0390D Rio de Janeiro O GLOBO in Portuguese17 Jun 91 p 20

[Text] The prospects for trade between Brazil and the Soviet Union which, under the economic "openness" promoted by Mikhail Gorbachev, were beginning to be considered by many as extremely favorable, are viewed with very little optimism by Eliezer Batista, chairman of the board of Rio Doce International, who has twice served as president of Companhia Vale do Rio Doce. He believes the task of creating a real market economy in the Soviet Union is extremely difficult and notes that very few of the thousands of joint ventures that have been set up in that country are functioning; of those, "a bare minimum are producing favorable returns."

The Soviets, says Batista, simply do not know what it is to be a businessman, and the apprenticeship period will be a lot longer than people think. Batista's opinions were expressed in a confidential document prepared by Insight Communications and Marketing Engineering. Furthermore, Batista observes, changes in legislation, the emergence of attorneys and specialists, as well as the buildup of a financial sector that can support the transformation—are all parts of a complex and time-consuming process. He also noted the profound disorganization that has afflicted the Soviet economy during the transition period inaugurated by Gorbachev—"actually, the Soviet Union has foundered." This has also caused a major decline in that country's foreign trade. The picture today, he said, "is very different from the outlook at the time the Berlin wall fell."

Although this may mean that Brazil has lost some good opportunities to increase its foreign trade, there is also an advantage: Batista remarked that international capital, which for some time seemed ready to move in massive quantities toward the USSR, is now available again and could return to the Brazilian market, provided there is a way to attract it.

The Rio Doce International board chairman believes the Soviets will still be good customers for Brazilian commodities but, as the crisis deepens, payment becomes a problem: the disintegration of the USSR economy means the day when the ruble will become a convertible currency is now further off. Furthermore, its inability to compete in terms of product quality makes it hard for the Soviet Union to obtain foreign exchange with which to pay for its imports. Even petroleum, which has always been high on the list of USSR exports, has experienced drastic drops in production, a development Batista blames on insufficient exploration of new fields.

* Cotia Trading Establishes Office in Iran

91SM0390E Sao Paulo GAZETA MERCANTIL in Portuguese 21 Jun 91 p 3

[Article by Sao Paulo correspondent Roberto Baraldi]

[Text] Cotia Comercio Exportacao e Importacao S.A. (Cotia Trading) has set up an office in Iran because of the growing volume of business between that country and Brazil. This is the seventh overseas office for the company, which also has operating joint ventures with similar firms in eight countries.

Joseph Tutundjian, director and president of Cotia Trading, anticipates that the office may be able to leverage new deals with Iran that would make exports of $50 million feasible as early as 1992. Tutundjian's plan is to triangulate Brazilian exports with the foreign banks that finance Iranian purchases (usually paid for over a period of 360 days). With the bank as middleman, the Brazilian exporter would receive cash for the products shipped and would not be risking anything in the transaction.

According to the Cotia Trading president, Iran, whose trade policy is extremely pragmatic, considers Brazil a privileged partner, which opens up additional possibilities for business. That country consumes Brazilian beef, chicken, corn, soybean oil, steel and nonferrous metals, while Brazil imports 100,000 barrels of petroleum a day, which means Iran ranks second as our supplier of oil.

Cotia plans to expand the list of exports to include petrochemicals products and machinery.

This year, the company wants to move a total of $400 million in exports and imports in all the markets in which it is active. Particularly prominent on the list of the firm's exports are steel, nonferrous metals, paper and cellulose, chemicals and petrochemicals, food, and Suzuki vehicles. The company will be the broker on imports of wheat (as much as 200,000 tons this year), rice, and corn, as well as raw materials for the chemicals industry.

* Braspetro Announces Three Oil Finds in Angola

91SM0390F Sao Paulo GAZETA MERCANTIL in Portuguese 15-17 Jun 91 p 13

[Article by Rio correspondent Fatima Belchior]

[Text] Braspetro, the Petrobras [Brazilian Petroleum Corporation] subsidiary that handles activities in other countries, will increase its petroleum production on the continental shelf of Angola from 10,000 to 14,000 barrels a day. That is where the bulk of the investments by the Brazilian state enterprise are being concentrated. This year, those investments in Angola will probably reach $50 million, i.e., a third of a total of approximately $150 million.

"We want to stay active in Angola and, if possible, increase our share of the exploration and production work, Braspetro President Raul Mosmann said Friday when he announced three new discoveries in that country. The first of the finds, at the Calafate-1 well, occurred early in January. The second, at the Espadarte-1 well, was found that same month while the third, in February, was at the Albacore-1 well.

According to Mosmann, the finds were not announced until Friday because Braspetro, owing to an agreement with its partners, could not divulge them any sooner. In Angola the Petrobras subsidiary works in Bloco-2 in association with the U.S. firm Texaco (operating company), the local state enterprise Sonangol [National Angolan Fuel Company], and the French firm Total. Overall production is 48,000 barrels a day, to be raised to 60,000 barrels a day during the coming year.

Petroleum reserves in the area of the Angolan coast that is being explored by the consortium amount to 100 million barrels. Average production from one well is 2,000 barrels a day. The tests of the three latest finds suggest production of 4,700 barrels a day from Calafate-1; 4,362 barrels a day from Espadarte-1, and 2,700 barrels a day from Albacore-1. The oil is the light kind that is very good for making gasoline.

"The fields in Angola are small, but very important because they are situated in shallow water in areas where a production infrastructure already exists," commented Mosmann, referring to the three fields that produced the new discoveries. Together, the three wells have recoverable reserves of 7.5 million barrels of petroleum. The fact that they lie in shallow waters—14-20 meters deep—and close to the producing fields will speed up the removal of the oil from the Calafate, Espadarte and Albacore fields.

Braspetro is working in eight countries: Argentina, Colombia, Ecuador, Angola, Libya, England, Norway, and the United States. In the North Sea (on the English side) it produces about 3,000 barrels a day. There, working with the U.S. firm Conoco, it will start prospecting in another block that has been opened for bidding by the British government. Exploration, Mosmann said, is slated to begin next year, following the seismic survey.

* Gros States Monetary Policy To Be Maintained

91SM0390C Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section)15 Jun 91 p 4

[Text] Central Bank President Francisco Gros said yesterday that the banking situation is not as bad as the trial balance sheets published this week by some financial institutions would indicate. At a lunch sponsored by the Brazilian Association of Commercial and Diversified Banks, he insisted that he will continue the tight money policy and that the measures taken by the Central Bank will be conditioned by the economic policy of fighting inflation. "Do not expect structural changes in the monetary policy," he said at the beginning of his speech.

Speaking publicly for the first time since he took office, Gros noted that trial balance sheets do not portray the situation in the financial system as a whole, because different criteria are used for the monthly calculations. "Only the six-month and annual trial balance sheets are the same and can be used as a thermometer," he said. He also acknowledged, however, that the banks are going through a difficult period and having to adapt to the new economic measures, but said it is not the Central Bank's job to generate income for the financial system. "The banks have to find more efficient ways to operate, and avoid making their profits from inflation," he noted.

Fees

As for the unfreezing of banking fees which people in the financial system understood would be included in this week's directive releasing controls on prices of services, Gros said that the interpretation was erroneous. Fees will continue frozen, but may be discussed with the industry. "I believe a readjustment in fees would be reasonable, since other prices are being readjusted," he said.

Gros also reported that the Central Bank does not plan to create some new kind of investment that is indexed on a daily basis in order to attract the unblocked cruzados, as some financial executives have suggested. He assured his audience that "this money will return to the financial markets anyway."

The foreign and domestic debts are among Central Bank priorities. According to Gros, the replacement of Ambassador Dauster as the official negotiator of the Brazilian foreign debt is part of the new orientation that Minister of the Economy Marcilio Marques Moreira plans to give the negotiations.

Gros thinks the Senate will pass the bill that calls for payment of the overdue interest on the external debt. According to him, a team working under the supervision of new negotiator Pedro Malan is already getting ready to visit important world capitals, such as Tokyo, London, Paris, and New York in hopes of persuading creditors to back the proposal.

* Conflicts Surface Within New Economic Team

91SM0390A Rio de Janeiro O GLOBOinPortuguese17 Jun 91 p 18

[Text] Brasilia—Although the economic situation exhibits unquestionable signs of improvement, the same cannot be said of relations among members of the second and third echelon of the team that is supposed to manage it. The flight of advisors that accompanied the departure of former Minister Zelia Cardoso de Mello forced the new members of the team to learn to live with a leader that few of them knew at all well. The result is that now, after just over a month in office, there is an obvious absence of harmony among government economic experts.

National Economic Secretary Dorothea Werneck, although she moves easily in business circles, is one of those most often criticized by her fellow secretaries. Last Friday, she had to be corrected by Minister of the Economy Marcilio Marques Moreira who, for the second time in a month, had been forced to "explain" statements made by his aide. The night before, Werneck had announced that the freeze would end in July. She had already been contradicted by Macedo, shortly after she took office, because of another of her statements on the freeze.

The secretary's methods were the subject of an internal meeting between Marques Moreira and his team, which resulted in a blunt recommendation that she avoid making public statements.

Meanwhile, Roberto Macedo has managed to gain unanimous disapproval of his performance, from his superiors right down to the junior staffers. Macedo disagreed with the minister on two occasions: on an early refund of the new cruzados (he got a dressing-down on that one) and on the restoration of wage purchasing power. Marques Moreira said he wants a restoration and would consider negotiating the free wage bargaining law. Macedo argued that only the market can produce a real wage.

Besides these specific public differences, there is virulent criticism behind the scenes. The minister's "soft" style, for example, drives some advisors crazy—especially as regards tax and property reform, as well as negotiations on the foreign dept.

"I do not know whether we are supposed to keep working, or whether he wants to change everything. The minister needs to react more quickly," one department head said.

Marques Moreira's indecision has earned a nickname among the employees: "A trainer of three turtles." They explain, "While he is taking care of one, he lets the others get away from him."

Planning Secretary Pedro Parente arouses the most jealousy among his colleagues, who consider him "too ambitious." He won the executive secretaryship of the committee on control of state enterprises.

The absence of someone to formulate economic policy may serve to strengthen the political influence of officials of the Central Bank, presided over by Francisco Gros.

* Plan To Expand Territorial Sea Proposed

91SM0362A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Jun 91 p 11

[Article by Marcos Emilio Gomes; first paragraph is O ESTADO DE SAO PAULO introduction]

[Text] A study of the Brazilian coast by experts from the Navy and Petrobras [Brazilian Petroleum Corporation] may help expand the territorial sea.

Rio de Janeiro—The Navy and Petrobras are "stretching" Brazil. For the past four years, Petrobras experts have been carrying out the Survey of the Brazilian Continental Shelf (Leplac), which will serve to delimit the country's coast in accordance with the rules set forth in the UN Convention on the Law of the Sea and may have the effect of significantly expanding Brazilian authority at sea.

The project in question is the result of an international agreement which, in Brazil's case, means relinquishing a territorial sea of 200 nautical miles (370 km) in return for the exclusive right to exploit seabed resources to a distance of up to 350 nautical miles (648 km) from the coast. In other words, the area in which control is exercised over airspace and navigation is reduced to 12 nautical miles, but the strip in which only Brazil can exploit or authorize the exploitation of natural resources on the seabed is increased.

"Although Brazil's accession to the convention means a reduction in its area of sovereignty, it is a fact that the decree on the 200-mile territorial sea was a unilateral decision which never received international recognition," explains Commander Alexandre Tagore Medeiros de Albuquerque, coordinator of the Leplac Executive Committee.

According to Tagore's explanation, the Convention on the Law of the Sea is, from that standpoint, the result of the confrontation between the developed countries, which have never accepted the 200-mile territorial sea, and the Third World, whose nations have managed to protect their economic interests. In order for the convention to take effect, it must officially enter into force (see the end of this article) and Brazil must provide the United Nations with a map of its continental shelf.

In practice, Leplac will provide—when it is completed seven or eight years from now—a series of maps which, in addition to showing maritime boundaries, will establish a profile of the seabed. Those maps will indicate the mineral makeup of each area and provide data for military use: for example, concerning good areas for confusing ship and submarine sonars or favorable areas for the installation of defense equipment.

Radar Systems

On board the oceanographic ships Almirante Camara and Almirante Alvaro Alberto, teams of experts and geophysicists from Petrobras are operating the equipment which collects that information by means of radars showing the precise position of the ship. On land or on ocean expeditions remaining close to the coast, those same groups reconnoiter the points for the lines that will be drawn on the maps.

The areas being mapped are the territorial sea, the contiguous zone extending another 12 nautical miles (in which our country can exercise customs control and pursue fleeing offenders), the 200-nautical-mile exclusive economic zone (in which only Brazilian vessels will be allowed to fish), and, lastly, the continental shelf.

The continental shelf's boundaries are not located a predetermined distance from the coast. They are determined solely on the basis of geographic and geological criteria. "The more detailed our work is, the better chance we will have of obtaining international recognition of continental shelf areas extending beyond 350 nautical miles," says geophysicist Jairo Marcondes de Souza, who represents Petrobras on the Leplac Executive Committee.

Jurists Redefine Continental Shelf

Schools of geology teach that the continental shelf is that portion of the seabed extending from the shoreline to the start of an abrupt incline known as the continental slope. But for the jurists who debated issues having to do with the sea, definition of the continental shelf became an almost incomprehensible exercise.

To satisfy the countries that debated the convention for nine years—until 1982—it was decided to complicate the concept. The continental shelf begins where it always has, but now it ends at a point that can be determined according to two criteria. One calls for establishing the outer edge of the area 60 nautical miles from the foot of the slope. The other calls for proving that beyond the 200 nautical miles, there are deposits of sediment (mud, silt, or other residue) whose thickness exceeds 1 percent of the distance be ween that point and the foot of the slope.

With that condition having been verified, the shelf can extend as far as 350 nautical miles—but it can also go beyond that limit if the sedimentary region is less than 100 nautical miles from the place where the sea reaches a depth of 2,500 meters. "It is on the basis of those criteria that we hope to go beyond the 350 nautical miles," says geophysicist Paulo Roberto Maldonado, who is one of those in charge of the work. The Convention on the Law of the Sea has been signed by 118

The New Continental Shelf

The map shows how Brazilian rights at sea may appear after completion of the Navy/Petrobras project.

KEY

1. Shelf areas extending 200 nautical miles.
2. Areas where the shelf may extend between 200 and 350 nautical miles.
3. Areas where the shelf may exceed 350 nautical miles.
4. Territorial sea.
5. Contiguous zone.
6. Source: Special Group for the Antarctic and Delimitation of the Continental Shelf/Petrobras.

countries and ratified, so far, by 45. It will not enter into force until 60 nations have ratified it.

* Auto Production Up 25 Percent Over May

91SM0390G Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section) 18 Jun 91 p 1

[Report by Isabel Dias de Aguiar]

[Text] Auto production is returning to its normal level and June will be the best month for the Sao Paulo industry. The president of the National Association of Automotive Vehicle Manufacturers (Anfavea), Jacy Mendonca, reported yesterday that vehicle output this month—about 94,000 units—will be 25 percent higher than it was in May and 100 percent higher than in April.

June will also be a good month for hiring. The Sao Paulo State Federation of Industries (FIESP) announced that 6,900 new jobs were created in the state during the first week of this month, or double the hirings during the entire month of May. In May, FIESP recorded only a 0.2 percent increase in employment. The index rose by 0.4 percent between 3 and 8 June.

The 10-point rate cut in the tax on manufactured products (IPI) for the auto industry has had a multiplier effect on the economy, in the view of some of the businessmen. Above all, it served to normalize dealings with the auto-parts industry, which is only waiting for the market to stabilize before starting to hire new workers, according to Pedro Eberhardt, president of the National Association of the Auto Parts Industry (Sindipecas).

Payment of wage bonuses also helped boost sales of products having a low unit value, said Celso Hahne, president of the Brazilian Association of the Plastic Materials Industry (Abiplat). Restoration of some of the purchasing power of worker wages should lead to a more sustained growth, believes Sergio Bergamini, director of the Economics Department of FIESP.

In a report delivered Tuesday to Minister of the Economy Marcilio Marques Moreira, FIESP President Mario Amato recommended that dependable rules be set for business. The present level of investments is limited to 12 percent of GDP [gross domestic product]. Between the 1950's and 1970's, annual investments in Brazil were equivalent, on the average, to 25 percent of GDP.

Chile

Lautaro Cell Dismantled; Top Leader Arrested

PY1707021891 Santiago Radio Cooperativa Network in Spanish 2300 GMT 16 Jul 91

[Text] We have a report from Mario Aravena, from the Eighth Region.

Mario Mengozzi, Investigative Police deputy director of operations, and Rigoberto Ortiz, prefect of the Concepcion Investigations Department's Fifth Zone, have released a report on the investigation of the killing of Prefect Hector Sarmiento Hidalgo.

According to an official communique, during the investigation, the police neutralized and dismantled the cell that staged the attack. The cell belonged to the Lautaro Rebel and Popular Forces.

The terrorist leadership has been harmed by the arrest of the organization's second in command, who masterminded the attack and who is also in charge of its military section.

The detainees are: Jaime Ivan Pinto, alias Pedro, 32, mining engineer, data processing adviser, system analyst, and MAPU [United Popular Action Movement]-Lautaro leader, who masterminded the attack on Prefect Hector Sarmiento; Jaime Patricio Felix Adasme, alias Raul or Abel, 31, professional terrorist, and chief of the Lautaro Rebel and Popular Forces of Concepcion, who personally murdered Prefect Sarmiento; Patricio Alejandro Gallardo Trujillo, alias Victor or Oscar, 27, puppeteer, La Ventana theater group member, and Lautaro Rebel and Popular Forces member, who gave protection during the attack and shot at Carabinero Manuel Prats Rivas in the attack, which took place on 15 March 1991; Julio Ricardo Prado Bravo, alias Javier or Aldo, 39, social worker who studied in the German Republic, German-Spanish translator, and Lautaro Rebel and Popular Forces member, who was the driver during the attack; Magdalena de los Angeles Gallardo Borquez, alias Angelica, 29, elementary school teacher, member of the Lautaro Rebel and Popular Forces of Santiago, currently the Youth Lautaro Movement's top leader in the Eighth Region, and known as the submachine-gun woman, who evaluated the attack, in which top Lautaro leader Diego Carvajal participated. There are several warrants for the arrest of Gallardo Borquez on charges of murder, robbery with violence, and injury; and Patricia del Carmen Martinez Zapata, alias Carola, 32, no profession, and member of the Lautaro Rebel and Popular Forces of Concepcion, who participated in several terrorist actions with the other detainees.

The detainees are also responsible for several crimes in the Santiago metropolitan area and in the Eighth Region. Evidence has been submitted to the courts proving their involvement in 11 murders and robberies accompanied by murder in which Carabineros and border police members died.

This is the central part of the communique just released in the fifth zone of the Investigative Police of Concepcion.

Bomb Explodes in Mormon Church in Santiago

PY1607185491 Santiago EL MERCURIO in Spanish 8 Jul 91 p C 7

[Text] On the afternoon of 8 July, a bomb exploded in a Mormon Church causing a small amount of damage. Three unidentified individuals, wearing handkerchiefs

with the acronym of the Movement of the Revolutionary Left (MIR) on their faces, left the box of detergent that contained the bomb inside the church at 9200 Las Parcelas Street. The explosion shattered the windows of the church. Carabineros from the Penalolen District reported that as they fled from the church, the terrorists fired their weapons, however, no one was injured.

PCCh Identifies Alleged Political Spy

PY1607135691 Santiago EL MERCURIO in Spanish 7 Jul 91 p C 2

[Text] The Communist Party of Chile (PCCh) has identified Marco Antonio de la Fuente Lopez, a former PCCh member and alleged member of the Army Intelligence Directorate (Dine), as the person who reportedly spied against the PCCh and the government. PCCh Central Committee leaders Jorge Insunza, Manuel Cantelo, and Claudina Nunez have admitted that De la Fuente "belongs to a Communist family," and that he was a PCCh member until 1989, when he was expelled from the party because of his "suspicious behavior."

This background has led PCCh members to demand "a thorough investigation of what is going on within Dine." They also charged General Pinochet with "downplaying this serious situation."

Cantero and Insunza confirmed that De la Fuente was arrested by the now defunct CNI [National Intelligence Center] in 1985, when it assumed that he became a CNI informer.

Construction of Light Weapons Plant Reported

PY1707024491 Santiago Radio Cooperativa Network in Spanish 2300 GMT 16 Jul 91

[Summary] Sources close to Radio Cooperativa said in Punta Arenas, businessman Carlos Cardoen might be taking the necessary steps to build a light weapons manufacturing plant in Porvenir, the capital of Tierra del Fuego.

Reportedly, the businessman will make use of the exemptions that will be granted by the new terms of the Navarino Law, which is being studied by the Finance Ministry.

Banking Operations With ALADI Authorized

PY1607021691 Santiago EL MERCURIO in Spanish 3 Jul 91 p B 2

[Summary] Private banks in Chile have opened financial operations with ALADI [Latin American Integration Association] members. The Central Bank authorized the operations as part of a plan to gradually make restrictions on productive investments and financial operations in third countries more flexible. Camilo Carrasco, Central Bank operations director, said the banks are authorized to use up to 20 percent of their deposits in U.S. dollars for the financial operations.

Government To Lift Visa Requirement on Bolivians

PY1607190091 Santiago EL MERCURIO in Spanish 30 Jun 91 p C 3

[Summary] Juan Martabit, Chilean consul general in La Paz, Bolivia, has reported that within the next 60 days, Chile will unilaterally eliminate the requirement for Bolivian citizens to have a visa to enter Chile. This is aimed at increasing tourism.

Colombia

Demilitarization Allows CNGSB Reentry

PA1607170791 Madrid EFE in Spanish 2150 GMT 15 Jul 91

[Text] Santa Fe de Bogota, 15 Jul (EFE)—President Cesar Gaviria's Colombian Government announced today that five areas will be demilitarized or have Army operations suspended to allow guerrilla delegates to return for consultations, so the peace talks can continue.

This statement was issued by Presidential Peace Adviser Jesus Antonio Bejarano, who condemned the Simon Bolivar National Guerrilla Coordinating Board (CNGSB) for their terrorist acts.

The CNGSB comprises the communist Revolutionary Armed Forces of Colombia (FARC), the Marxist Army of National Liberation (ELN), and a dissident sector of the disbanded Maoist Popular Liberation Army (EPL).

Bejarano said that suspension of military operations in the five areas will ease the entry of CNGSB delegates.

The official, however, described the guerrilla tactic of committing terrorist acts to pressure those at the Caracas talks as a "mistake."

Talks between the Cesar Gaviria government and the CNGSB were held between 3 to 25 June in Caracas; a 15 day break was agreed upon so both sides could return to Colombia for "consultations."

The CNGSB argued that military operations were taking place in the areas where their delegates were to hold consulations, thus hindering the delegates' entry.

Today, Adviser Bejarano accused the CNGSB of blocking the talks. Also, he trusted that the suspension of military operations in the five areas, which Bejarano did not identify, will allow the talks in Caracas to resume shortly.

Guerrillas Announce Temporary Halt in Attacks

PA1607182191 Mexico City NOTIMEX in Spanish 1531 GMT 16 Jul 91

[Text] Caracas 16 July (NOTIMEX) - The Colombian guerrillas announced today in Caracas a temporary halt

to all attacks against electrical installations, but said they would continue attacks against oil pipelines and other installations.

The high command of the Simon Bolivar National Coordinating Board told the foreign press that over the next three days it would not carry out any attacks against electrical installations to avoid harming the population. The rebels leaders warned, however, that they would continue their attacks against "national and international monopolies," which includes oil pipelines and other oil installations.

CNGSB Dynamites Oil Pipeline in Putumayo

PA1607145491 Bogota Radio Cadena Nacional in Spanish 1200 GMT 14 Jul 91

[Text] The Simon Bolivar National Guerrilla Coordinating Board [CNGSB] has again attacked the Trans-Andean Oil Pipeline. The attack caused a spill of over 3,000 barrels of oil and ecological damage along the border with Ecuador.

According to a report issued by military authorities, the attack took place in a rural area near the town of Orito, in the Putumayo Department.

Reportage on Foreign Minister's Visit to Germany

WA1607124791

For reportage on the visit by Foreign Minister Fernando Jaramillo Correa to Germany, including reports on his talks with German Foreign Minsiter Hans- Dietrich Genscher, see the Germany section of the 16 July West Europe DAILY REPORT and subsequent issues.

Paraguay

President Asks Colorado Party To Draft Statute

PY1707015091 Asuncion NOTICIAS in Spanish 16 Jul 91 p 3

[Text] President Andres Rodriguez opened the Colorado Party convention on 15 July and asked the conventioneers to adopt fair criteria for drafting a statute to strengthen the party. Rodriguez also emphasized the responsibility each conventioneer had in drafting this statute.

President Rodriguez was welcomed at the National Council of Sports by a committee comprised of Guillermo Campuzano, of Ciudad del Este; Elisa Ruiz Diaz and Luis Castiglioni, of the Colorado Youth; Erico Ibanez; and engineer Carlos Romero Pereira.

There has been a lot of discussion about this committee, because all of its members belong to the Colorado Party's Autonomous faction. As a result, as soon as the Colorado Party's acting President Luis Maria Argana announced the committee members' names, party members attending the meeting began to "boo" them.

Argana greeted President Rodriguez, delivered a speech, read the list with the conventioneers' names and the quorum's approval, and then invited President Rodriguez to address the conventioneers.

Rodriguez began by thanking Argana for the invitation to attend the party convention.

"In this room and under this roof, we have the opportunity to look each other in the face. I hope and pray to the Lord that your discussions will be correct and may thus strengthen our beloved Colorado Party," President Rodriguez said.

He added that he was certain that the Colorado members' sense of responsibility and fair criteria would allow the conventioneers to draft a statute to guide the Colorado Party's destiny by basically strengthening and revitalizing the "extraordinary" people "of Paraguay."

Rodriguez reiterated that he trusted it would happen and concluded by saying that he asked the Lord and the conventioneers that "the discussions yield successful results and that these results may strengthen and revitalize our great Colorado Party."

After President Rodriguez finished his speech to the conventioneers at the National Council of Sports, the welcoming committee accompanied him to his car.

Uruguayan President Visits En Route to Summit

PY1707010291 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2332 GMT 16 Jul 91

[Text] Uruguayan President Luis Alberto Lacalle arrived this evening. He and his Paraguayan counterpart, Andres Rodriguez, will leave tomorrow for Guadalajara, Mexico, to attend an Ibero-American Summit scheduled for 18-19 July. The Uruguayan president is accompanied by a small entourage that includes his wife, Maria Julia de Lacalle.

Rodriguez and Lacalle will leave Silvio Pettirossi Airport tomorrow on a direct flight to Guadalajara. The Paraguayan president will be accompanied by his wife, Nelida Reig de Rodriguez, Foreign Minister Alexis Frutos Vaesken, Senate speaker Gustavo Diaz de Vivar, and a group of businessmen, among other people.

The Guadalajara summit will be attended by 23 statesmen from 19 Latin American countries, Spain, and Portugal.

After attending the summit, President Rodriguez will pay an official visit to Caracas, where he will meet with Venezuelan President Carlos Andres Perez and will engage in many other activities.

On 24 July in Caracas, Rodriguez will attend a ceremony honoring the anniversary of the birthdays of Marshal Francisco Solano Lopez and liberator Simon Bolivar.

Central Bank's Net Reserves Reach $990 Million

PY1707000891 Asuncion ULTIMA HORA in Spanish 16 Jul 91 p 12

[Text] According to official Paraguayan Central Bank [BCP] figures, the bank's international net reserves at the end of June stood at $990 million.

This significant increase—$60 million in one month—will raise real possibilities for favorable negotiation of the foreign debt with international creditors.

BCP sources reported that this increase has been caused primarily by the excessive purchase of currency on the local market, which has been aimed at stabilizing the dollar exchange rate. Monetary authorities, however, have been so far, unsuccessful in an effort to alleviate this serious problem, and, consequently, the amount of money in circulation has continued to increase regularly.

The prospects for foreign debt negotiations are uncertain, because the size of the reserves could lead creditors to claim that our country can honor its obligations without rescheduling payments. Considering that overdue obligations (amortization of principal and payment of interest) amount to only 44 percent of this amount, this situation could be negative for the government's plans for its international obligations. State agencies, however, cannot honor the obligations they owe to foreign creditors.

Finance Ministry Appoints New Budget Director

PY1707023691 Asuncion NOTICIAS in Spanish 16 Jul 91 p 11

[Summary] The Finance Ministry has appointed Elizardo Gonzalez Balbuena as the new budget general director replacing Carlos A. Sartori, who retired.

Peru

Prime Minister on Strikes, Guadalajara Summit

PA1607170991 Lima Panamericana Television Network in Spanish 1200 GMT 16 Jul 91

[Text] Prime Minister Carlos Torres y Torres criticized the wave of strikes taking place in the country, and he demanded more prudence and maturity from the working class. He said that the strikes tend to worsen the critical situation we face; adding that the government fulfilled its obligation by granting the maximum salary increase possible to the teachers.

[Begin recording] [Torres y Torres] We think that the increase which was approved is not the most ideal, but it is what the country can give; it is what we, as a government, can give. There are no more resources. It is the maximum we can give, so we are sure that the teachers will return to their jobs in the near future—we cannot give a bigger increase.

[Reporter] Mr. Minister, what is expected from the Latin American countries' summit meeting in Mexico?

[Torres y Torres] It is a very important meeting, because it strives to consolidate relations among Spanish- and Portuguese-speaking countries. In other words, it seeks to achieve a consensus of interests based on our uniqueness, history, and identity. This is very important at a time when the world is being organized through large economic groups, which also respond to their structures and their social, racial, and religious bases. It is important that our community, meaning countries united by our origins, reconciles our interests and organizes us—not only from a standpoint of social and cultural relations, but also economic relations. [end recording]

Cabinet Members To Resign on 28-29 Jul

PA1607222591 Madrid EFE in Spanish 2056 GMT 16 Jul 91

[Text] Lima, 16 Jul (EFE)—Prime Minister Carlos Torres y Torres Lara has said that the Peruvian cabinet members will "formally" resign on the occasion of the first anniversary of the assumption of President Alberto Fujimori to power, which is scheduled take place on 28 July, it was reported today.

In statements published by the press today, Torres y Torres stated that the 14 government ministers "will leave it up to the president" to either confirm them in their posts or not. He added that although some changes may take place, the policy of economic stabilization will be maintained.

This practice of resigning is part of the Peruvian custom whereby the ministers tender their resignations to the head of state on the occasion of the "National Holidays," marking the country's independence every 28 and 29 July.

These statements by Torres y Torres officially confirm the reports already cited by the press on the possibility that Fujimori would reportedly cause a crisis in his second cabinet.

According to the Peruvian press, five ministers could be changed, including Torres y Torres, who assumed the duties of prime minister on 17 February, 1991. Torres y Torres could reportedly be replaced by Industry and Commerce Minister Victor Joy Wa.

Since Fujimori took office nearly a year ago, he has had two cabinets and in the current one, he only maintains three of the 14 ministers with whom he began his presidential term.

The announcement by the prime minister came on the eve of the beginning of a general strike called by the largest labor groups of the country for 25 July, as well as Fujimori and Torres y Torres' departure for the Mexican city of Guadalajara, where they will attend the "Ibero-American Summit."

Prime Minister Torres y Torres told the press that "in the event of a possible crisis in Peru, the strike is not an appropriate measure. On the contrary, it will produce losses and delays for businesses, the state, and the workers, as well as more hunger and poverty."

Torres y Torres called on the people not to support the call by labor groups against the liberal economic policy of Fujimori, in solidarity with the striking associations, including the health sector, which began a strike nearly four months ago, and the education sector, which began a strike 70 days ago.

Prime Minister on Banking, Tax Reforms

PA1207133891 Lima Panamericana Television Network in Spanish 1200 GMT 11 Jul 91

[Text] Prime Minister Dr. Carlos Torres y Torres Lara has stated that the tax reforms being implemented by the government will have long-term effects, adding that this is the result of the significant character of the reforms.

Meanwhile, he remarked that the temporary measures that are being implemented will remain in place. He also said that the mistakes that appeared in the publication of the banking law, which created serious controversy, are being investigated.

[Begin recording] [Torres y Torres] I do not think that the banking law will generate any lack of confidence in the economy of the country. It is important to stress that, here in Peru, we need to draft significant tax reform. It will take quite a while to draft this tax reform.

In the meantime, it is necessary to adopt some basic temporary measures. We must work bearing in mind two things: One, we must work to face immediate problems in the short term, and two, in the medium- and long-term we must conclude significant and very technical and appropriate tax reform.

[Unidentified reporter] How will you resolve the problem created by the mistakes published in the official newspaper EL PERUANO? It has been said that this publication has raised doubts among some sectors.

[Torres y Torres] There was evidently a mistake in the publication of the law. We have requested information on this matter to determine the cause of the mistakes. We will obviously make the necessary clarifications in the next few days.

[Reporter] Were these mistakes done on purpose?

[Torres y Tores] Let us not talk about ill intentions. In this country we are accustomed to using the technique of publishing laws with mistakes, which is inappropriate. I want to stress that, for example, when the Constitution was drafted, a similar situation existed.

The previous administrations abused the public by publishing mistakes in government laws. We must not follow this path, so we are going to make the necessary corrections. To do this, we have requested reports on this matter. [end recording]

Japanese Workers To Move From Interior to Lima

PA1507175391 Paris AFP in Spanish 14 Jul 91

[Text] Lima, 14 Jul (AFP)—A Peruvian Government source has reported that the bodies of the three Japanese engineers—gunned down on 14 July by Shining Path guerrillas in an agricultural research center in Huaral, 120 km north from Lima—were flown to Tokyo on Sunday.

According to the Japanese Embassy, the remains of agronomists Kiyotada Miyagawa, 58 , head of the mission; coordinator Seibun Kin Raa, 30; and Hiroshi Nikanishi, 58, a genetics expert, were put aboard Aerolineas Argentinas' flight 384 bound for Tokyo with a stopover in Los Angeles.

During a wake last night, Carlos Torres y Torres, Peruvian foreign minister and prime minister, offered Japanese Ambassador Masaki Seo the Peruvian Government's condolences over the fateful event.

An official of the Japanese Technical Cooperation Agency [JICA] has reported that at least 63 Japanese professionals, who work in several development projects in the country's interior—Arequipa, 1000 km south from Lima; Iquitos, 1200 km to the northwest; Trujillo, 400 km to the north, and other areas—will be brought to Lima starting this week as a protective measure.

The Shining Path group that attacked the technical training center also destroyed its facilities—files, greenhouses, two vehicles, six motorcycles, and tools—with incendiary grenades.

The Huaral Agricultural Research and Training Center [CICH-H], which opened in December 1989 with Japan's financial support, conducts experiments to improve seeds and train farmers. It is located on over 150 hectares of land.

While a formal manhunt unleashed by the authorities to capture the Shining Path members responsible for the murder, the Anti-Terrorism Directorate [Dircote] held Angel Mazoni Castillo, Shining Path military chief in Norte Chico, directly responsible for the three murders.

A Dircote source said that more than 20 witnesses of the massacre identified "Negro Mazoni" when they were shown the Shining Path leader's picture. Approximately 200 people, mostly unidentified, have been arrested so far during the investigations.

In addition, deputies and important sectors of the country condemned the murder of the foreign professionals and pointed out that the Shining Path's attack "is meant to thwart all international aid and increase tension in the country."

Furthermore, Javier Diaz Orihuela, dean of the School of Engineers, has demanded greater protection and support for foreign and Peruvian professionals. He recalled that 115 local engineers have been killed by terrorists in the past 10 years.

Roundup of Terrorist Activities Reported

Activities for 7-8 Jul

PY1607010491

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 7 and 8 July. Publication information is given in parentheses after each item.

The Technical Police have arrested Luis Miguel Gamboa Yauri, alias Comrade Johnny, member of a Shining Path death squad. Gamboa Yauri is charged with complicity in the murder of officials and a former Ayacucho mayor and in dynamite attacks on police and state offices. (Lima EL COMERCIO Spanish 7 Jul 91 p A 13)

El Agustino Technical Police on 7 July captured Shining Path member Omar Alvizuri Cardenas, alias Comrade Cesar, in a shantytown in this district. The terrorist belonged to the so-called financial apparatus of the Shining Path, which collected money through extortion. (Lima LA REPUBLICA in Spanish 8 Jul 91 p 26)

Activities for 22 Jun-6 Jul

PY1207215091

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 22 June and 6 July. Publication information is given in parentheses after each item.

A Peruvian police Counterterrorism Division agent lost his right hand when he opened a letter bomb handed to him by two terrorists while he was patrolling the building where the pro-Shining Path tabloid EL DIARIO has its printing shop, in Magadalena. The agent, identified as Edmundo Calderon Casas, was taken to the National Police Central Hospital in serious condition. This is the third such attack. The others were against a Human Rights Commission member and an employee of the Corporation for Airports and Commercial Aviation, who also lost his hand. (Lima EL COMERCIO in Spanish 28 Jun 91 p A-13)

The political-military command of the Huamanga Front today issued an official communique on the latest antiterrorist operations, during which they had the cooperation of self-defense committees and dissidents of the Shining Path Communist Party. The communique states that as a result of various clashes that took place between 26 and 29 June, six terrorists were killed and an undetermined number of dead and wounded terrorists were evacuated during the clashes; Sergeant Moreyra Carrasco Wilfredo was killed and two corporals wounded. The following material was seized: two automatic carbines; one Universal machine gun; two AKM rifles; two revolvers; seven clips; one Instalaza grenade; 2,880 TNT cartridges; 500 meters of slow-burning fuse; 400 detonators; large quantities of explosives; and a large quantity of subversive propaganda. (Lima EL COMERCIO in Spanish 1 Jul 91 p A 12)

Military sources reported that at least six members of the Tupac Amaru Revolutionary Movement (MRTA) died yesterday in a clash with the National Police. According to peasants who witnessed the incident, after four hours of fighting, the small police contingent at Lares Valley, 240 km from Cusco, repelled the attack by 100 MRTA terrorists. Reportedly, no policemen were injured. (Lima EXPRESO in Spanish 1 Jul 91 p 14)

A terrorist attack was launched at 2105 on 1 July against the Lau Chun bookstore in San Isidro. The attack, which used 8 kg of dynamite, wounded at least three people, one of them seriously, and shattered the window panes of buildings in a 100-meter radius. (Lima EL COMERCIO in Spanish 2 Jul 91 p A 10)

Two alleged terrorists, identified as Ricardo Faustino Obregon Perez, 28, and Aristides Santos Tinoco, where shot dead on 29 June when they were caught trying to break into the Quebrada police station, 140 km northeast of Cusco. (Lima EL COMERCIO in Spanish 2 Jul 91 p A 11)

A terrorist attack at 1215 on 3 July against the Health Ministry office in Jesus Maria caused alarm among the employees but very little damage and no casualties. (Lima EL COMERCIO in Spanish 4 Jul 91 p A 9)

Shining Path members launched simultaneous attacks at 0555 on 4 July against two Sedapal (Lima Water Service Company) offices and one Electrolima (Lima Electric Power Enterprise) office in different parts of Lima city. The terrorists used bombs of up to 500 grams of dynamite and anfo (ammonium nitrate fuel oil), causing damage but no casualties, and left behind Shining Path propaganda. (Lima EXPRESO in Spanish 5 Jul 91 p 8)

During several operations, police forces arrested the following Shining Path members: Robert Guadalupe Campojo, alias "Comrade Rolando," one of the leaders of the movement's political command in Chiclayo; Mario Percy Paz, alias "Carlos;" Augusto Enrique Perleche Ascochado, alias "Santiago;" two individuals identified as "Carmen" and "Joel;" Cesar Francisco Jiron Gonzalez, alias "Pedro;" Bertha Culticondor, alias "Hermelinda;" Vilma Tenocho Cusicondor; and Lorenzo Chavez Calderon. (Lima EXPRESO in Spanish 6 Jul 91 p 12)

Guerrillas Reported Leaving San Martin Jungles

PY1407225291 Lima LA REPUBLICA in Spanish 4 Jul 91 p 6

[From the "In Brief" column]

[Text] Tarapoto businessmen have reported the possibility of an imminent tactical withdrawal by MRTA [Tupac Amaru Revolutionary Movement] guerrillas. The MRTA is reportedly beginning to leave the San Martin jungles and head for other towns in the Amazon region.

The informants said that last week, the well-known "contribution" collectors went to their offices and stated that it was the last time they would be asking for money "until further notice." Several local small businessmen also heard of the decision.

Is there any possible explanation? It could be the hard blows of military actions and the need to gather forces in a less controlled area.

State of Emergency Declared in Several Provinces

PY1607130091 Madrid EFE in Spanish 1322 GMT 13 Jul 91

[Text] Lima, 15 Jul (ANDINA)—The government has declared a 120-day state of emergency in the provinces of Rioja and Moyobamba (San Martin Department), Rodriguez de Mendoza, Bongara, Chachapoyas and Luya (Amazonas Department) and in the Bolivar District (La Libertad Department), which continue to face a critical situation following the earthquake that occurred on 4 April.

A supreme decree issued today in the official gazette EL PERUANO states that the infrastructure, especially dwellings, drinking water systems, and sewerage systems are still seriously affected in these locations.

The government has also ordered state organizations to provide urgent technical assistance.

The government has lifted the prerequisite of public bids from the purchase of goods, service contracts, and the implementation of works directly linked to the state of emergency.

The government has also earmarked 1 million new soles from the public treasury, which has been authorized in the supplementary credit approved under Law 25334, to the Housing Ministry for the area affected by the earthquake.

Coca Growers Agree to Coca Replacement Talks

PY1507140891 Lima EXPRESO in Spanish 8 Jul 91 p 4

[Text] Uchiza, 7 Jul (EXPRESO)—Before being killed, Walter Tocas Lopez, the general coordinator of the Front for the Defense and Eradication of Coca in Alto Huallaga [Frente de Defensa y Erradicacion de la Coca del Alto Huallaga], managed to get a written guarantee, signed by leaders of 49 committees that represent 40,000 coca growers of that area, to implement the coca replacement program.

Using special forms, on which the name of the committee and the committee's leaders are stated, the coca growers accepted, becoming valid interlocutors in the talks with the Peruvian Government and the U.S. advisers, thus guaranteeing the success of the initial step of the antidrug agreement.

On the eve of his death, allegedly at the hands of Shining Path subversives, Tocas held a long meeting with the coca growers' leaders, who named him as their main representative and confirmed their support for him by signing the forms.

When informed of the crime, the coca growers expressed in Uchiza their firm resolve not to retract their decision, but demanded, as a guarantee, that their identities as well as the contents of the aforementioned forms be kept confidential. The forms were sent to the capital in order to confirm their participation in the process.

Interior Minister on Laws for Ministry, Police Organizational Training Requested

PY1607183091 Madrid EFE in Spanish 2250 GMT 15 Jul 91

[Text] Lima, 15 Jul (ANDINA)—In his report to the permanent congressional commission that is investigating some recent police incidents, Interior Minister Victor Malca Villanueva today asked for a new organizational law for his ministry and for the National Peruvian Police.

The interior minister began by saying that it has not yet been clearly established if the policemen were drunk at the time of the incident in which an Aerochasqui plane was downed in Bellavista. He said that judicial authorities will investigate the case.

The interior minister gave a detailed explanation of the incident. He added that when he heard about the incident, the political-military commander of the zone went personally to the site of the incident. Also, the local Bellavista prosecutor and judge went to assess the case.

He said that all the policemen involved in this incident have been accused of abuse of authority and homicide.

Education and Training of the Police Personnel

Referring to the current education program for the police personnel, the interior minister said that it must be adjusted to the national situation, adding that officers and enlisted men must be participate in regular educational and training programs that stress the values of ethical and moral principles, and respect for human rights and the Constitution.

The education program for national police personnel has been discontinued for lack of economic resources and because the policemen have been deployed to places outside Lima, he said.

Police Reorganization

Referring to the police reorganization issue, he said that several projects have been presented, but none has touched the root of the problem: Only administrative and organizational structures have been changed.

The interior minister said that in each police board there must be one person responsible for the adoption of effective corrective measures.

Malca Villanueva said that for this reason negotiations are being held with the Spanish police seeking to cooperate in designing a plan of action.

He explained the need to study the factors that make policemen engage in illegal actions and to establish some psychiatric treatment facilities for both Lima and provincial officers who are continuously under stress.

The interior minister added that, since last April, 23 officers and 631 enlisted men have been dismissed and that there are 291 officers and 600 policemen facing administrative action.

He said that those involved in the downing of the Aerochasqui plane in Bellavista have been reported to the judicial branch. They are charged with homicide and the destruction of a plane.

In conclusion, Malca Villanueva asked for the reorganization of the national police with special consideration for overall safety, respect for human rights, and the ethical and moral principles of Peru.

'Total Restructuring' Reported

PA1407044391 Paris AFP in Spanish 1954 GMT 13 Jul 91

[Text] Lima, 12 Jul (AFP)—Peruvian Interior Minister General Victor Malca Villanueva announced today the "total restructuring of the national police" due to the "enormous corruption within its ranks" and serious excesses committed by some of its members.

He also admitted that a large percentage of the 100,000 members in the police force lack proper training and are ill-equipped and poorly paid. Through a local radio station, Malca stated that "some bad elements within the institution" are not adequately carrying out their obligations and prefer to get involved in criminal acts," [no opening quotation marks as received] such as those that took place recently.

The issue that brought about this second reorganization—the first took place in September 1985—was the 2 July downing of an aircraft carrying 17 persons by a group of drunken policemen in the Peruvian jungle (San Martin, 800 km northwest of Lima). All persons on board the aircraft were killed.

Other incidents include that of several policemen involved in the murder of a university medical student and two minors in the neighboring port of Callao, the disappearance of 54 kg of cocaine hydrochlorate, the holding up of buses along the highways, and other excesses.

The minister pointed out that since April to date, 25 officers and 600 enlisted men had been dismissed on charges of lack of discipline and involvement in criminal actitivites.

Gen. Malca is preparing to present his National Police reorganization proposal to the Permanent Commission of the National Congress on 15 July. He also announced the forthcoming arrival of technical assistance experts from Spain and France to provide training to police agents.

Meanwhile, a communique by the Interior Ministry announced today that one lieutenant and two enlisted men, who were found responsible for shooting down the aircraft which resulted in the death of 17 persons, were discharged and will have to stand trial.

Joaquin Marquillo, district attorney for Bellavista, located in the San Martin Department, was removed from office on 12 July by Attorney General Javier Mendez due to irregularities in the investigation on the downing of the passenger aircraft.

Mr. Marquillo had stated that he had seen four hooded Tupac Amaru Revolutionary Movement (MRTA) members fire on the aircraft.

Senators Enrique Bernales, president of the UN Human Rights Commission; and Felipe Osterling, president of the Defense Commission, both agreed on the need for an inmediate "restructuring" of the National Police created in 1825 by Simon Bolivar, for not adequately "guaranteeing safety and order."

Armed Forces To Create Human Rights Department

PY1407220291 Lima LA REPUBLICA in Spanish 5 Jul 91 p 6

[From the "In Brief" column]

[Text] On 4 July, General Arnaldo Velarde Ramirez, Armed Forces Joint Command chairman, announced the upcoming creation of a human rights department within the Armed Forces Joint Command, the top institution in the Armed Forces.

This report was released during a meeting between Velarde and an Amnesty International [AI] delegation headed by AI Secretary Ian Martin.

During the two and a half hour meeting, which was also attended by Army Commander General Pedro Villanueva and Navy Commander Vice Admiral Carlos Rosas, Martin voiced his concern over the human rights situation in Peru.

At the end of the meeting, Martin said that he had found a very constructive attitude during the meeting with the

military chiefs, and added that he had frankly expressed his opinions and uneasiness.

Martin was accompanied by Spanish Colonel Prudencio Garcia Martinez and by AI officials Javier Zuniga of Mexico and Peter Archard of England. They also met with President Alberto Fujimori and Prime Minister Carlos Torres y Torres.

Army Accused of Murder, Mutilation of Peasants

PA1507203491 Paris AFP in Spanish 2311 GMT 14 Jul 91

[Text] Lima, 14 Jul (AFP)—The murder of 14 peasants allegedly committed by Armed Forces members in the Rudiopampa community, Huancavelica, southeast Andean area, was officially disclosed on 14 July. According to the official report, the mutilated bodies were found on 11 July.

According to EL PERUANO, an official newspaper, peasants from the community of Santa Barbara, Huancavelica, 500 km southeast of Lima, had reported to the press and to the provincial prosecutor that "members of the Peruvian Army" had killed 14 peasants. The victims were seven children and seven adults from the aforementioned community.

The peasants, who presented the charges, stated: "The incident took place on 4 July, at early dawn, when members of the Peruvian Armed Forces raided the Rudiopampa community and without any explanation whatsoever, violently forced seven children and seven adults—members of two families—out of their homes and took away their belongings and their animals."

In light of the charges filed at the Huancavenlica prosecutor's office, the peasants have been threatened by an Army officer who demanded that they withdraw their accusation; otherwise, according to the source, they will be accused of being terrorists.

On 12 July the arrested peasants' bodies "were found totally mutilated in an abandoned mine at the Huachocolpa hamlet, 12 km from Rudiopampa."

According to the EL PERUANO article, which published the identities of the 14 victims, one of the victim's father, who was desperately searching for his arrested son, discovered the bodies.

The community members who presented the accusation have asked the Congress' Human Rights Commission for protection, as they claim they are constantly receiving death threats or are accused of being terrorists.

Meanwhile, the police reported that on 13 July a seven year old died, and his five year old brother was seriously wounded, when an explosive device went off. The accident took place when the children were playing with the device found on the Jauja street, Junin Department, 250 km east of Lima.

In the meantime, the government has declared the operating mining companies' explosives depots as nationwide emergency zones, and has resolved that the supplies in these gunpowder arsenals must be placed under the orders of the military or police force in each area. This decision was made to counteract the continuous removal of explosive material by rebels from the numerous mining centers.

Polls Shows Percentage of Support for Government

Seventy Percent Support Actions

PY1507010891 Lima EL COMERCIO in Spanish 8 Jul 91 p A 5

[Excerpt] According to the results of a new public opinion poll conducted by Datum in June 1991, more than 70 percent of the people support the actions of President Alberto Fujimori's government during its first 11 months in power, especially with regard to promotion of foreign investments, the recent signing of an antidrug agreement, tax reduction, reinstatement of Peru in the international arena, privatization of public enterprises, and liberalization of the economy in general.

According to the same poll, people also think it is vitally important for the government to focus its attention on two key sectors of the national economy—agriculture and industry—without disregarding exports and the production of natural resources, especially in the energy and mining sectors. [passage omitted]

Shows Disapproval of Administration

PY1607155891 La Paz Radio Fides Network in Spanish 1100 GMT 16 Jul 91

[Text] Lima—According to a poll conducted by the Peruvian private company Apoyo, 56 percent of Lima residents disapprove of President Alberto Fujimori's administration. Based on the poll results, which were released on 15 July, Apoyo evaluates that President Fujimori is the object of a presidential eclipse [as heard] and of a clear decrease in popularity. The poll shows that more than 50 percent of Lima residents disapprove of Fujimori and that only 31 percent support his administration. This represents a further drop from the 45 percent who said they supported Fujimori in May and the 35 percent who said they supported him in June.

According to Apoyo, the most recent poll to have been held in Lima on support for Fujimori's administration shows that his popularity is decreasing month by month. Fujimori has been in office for little more than one year.

Health Workers Stage Demonstration in Lima

PA1307161291 Lima Global de Television Network in Spanish 0100 GMT 12 Jul 91

[Text] CITE [Intersectorial Confederation of State Workers] demonstrators—mainly from the health sector—massively gathered in Lima's main streets today.

They shouted slogans and created a traffic jam. The police, who arrived late, managed to disperse them without confrontation. The groups appeared at the (Jiron Asangaro) crossway and at the third block of (Jiron Ucaya). These are people from the health sector who demand, as do all struggling grassroots sectors, that the foreign debt not be paid and that the money be used to pay their wages.

The group gathered throughout Bancay Avenue and unfolded their placards and emblems. Meanwhile, the reporters donned their gas masks, which they have carried for the past few months whenever CITE demonstrators and unions protest in public.

In front of the library, the group, impatient because the police had not arrived and a confrontation could not take place, began to tear down wooden boards placed across shop doors.

The health workers announced tonight that they will return to work tomorrow to participate in the Van 91 children's vaccination drive, which will conclude on Sunday. They hinted, however, that they might lift the strike on Monday.

[Begin recording] [Unidentified labor leader] In the name of CITE and the National Coordinating Board of Professional Health Workers, we are hereby announcing that, beginning tomorrow, all of the country's workers will participate in the Van 91 drive, headed by the health minister, for the good of the country's children. In this way, we will respond to the many requests by the Mothers' Clubs, the Glass of Milk Clubs, and the population who have asked CITE and professional workers to participate in this difficult and delicate Van 91 campaign. Throughout the country, 75,000 workers will participate in this effort as the result of our talks with the health minister for several hours today.

[Reporter] Will your people return to work on Monday?

[Labor leader] The strike will continue as long as the President continues to postpone the publication of the government decree. This is the only point of talks still pending prior to the signing of the final document. Meanwhile, all secretaries general will report to their rank and file on the general strike situation. [end recording]

INEI Reports Inflation, GDP Figures

PY1607022691 Lima EL COMERCIO in Spanish 2 Jul 91 p 1

[Summary] Felix Murillo, INEI [National Statistics and Information Technology Institute] director, has reported that the June inflation rate was 9.3 percent, and there has been a 1,309 percent increase since August 1990. Murillo added that the accumulated inflation rate stood at 72.8 percent for the first quarter of 1991, and at 2,191.9 percent for the past 12 months. He also said that the GDP decreased 1.1 percent in May in comparison with the GDP in May 1990.

Contract Signed With Canada for Projects

PY1307224891 Lima EL COMERCIO in Spanish 28 Jun 91 p A-10

[Summary] On 27 June, the Peruvian-Canadian Countervailing General Fund [Fondo General de Contravalor Peru-Canada—FGCPC] signed contracts for the implementation and financing of five development projects, which will cost $1.7 million.

The contracts, which were signed in the presence of Canadian Ambassador James Leach and several Peruvian officials, include the construction and equipment of a mini-industrial park in Trujillo Province, La Libertad Department; the assignment of $300,000 to a fund that finances coffee harvesting and commercialization in Cuzco Department; the installation of a network of via-satellite stations for the Superior Technology Institutes Association in the Departments of Cajamarca, La Libertad, Lima, Pasco, Junin, Cuzco, Huancavelica, Puno, and Arequipa; and the assignment of $279,655 to the Integral Emergency and Basic Sanitation Plan for rural and native communities in San Martin Department.

Venezuela

Perez Departs for Salvador; Minister Comments

PA1607174991 Caracas Venezolana de Television Network in Spanish 1600 GMT 16 Jul 91

[Text] President Carlos Andres Perez and his retinue left a few minutes ago to attend the presidential summit meeting in El Salvador. One of the objectives of the presidential trip is to strengthen Venezuelan diplomatic relations with the Central American countries.

Foreign Minister Armando Duran has said that the meeting of Central American presidents in El Salvador and the Ibero-American Summit in Mexico represent important steps on the road to Latin American integration.

At the San Salvador meeting, Venezuela will take advantage of the occasion and will sign an accord aimed at outlining a free trade zone. He said this will be a political meeting at which the country's position today and in the future will be analyzed.

[Begin Duran recording] I think the Guadalajara meeting will greatly benefit Latin America and Venezuela. The importance of the Guadalajara Summit lies in the fact that it is going to take place. I said something like this at the meeting of oil producers and consumers in Paris. I said then that the importance of the Paris meeting was the fact that producers and consumers were sitting at the same table.

The historic importance of the Guadalajara meeting, to be held on the Wednesday, Thursday, and Friday, and the meeting that will take place in Madrid next year, and the meeting to be held in Brazil in 1993, lies in the fact that for the first time in history, the chiefs of state of the Ibero-American community will sit at the same table to talk about serious issues, including perhaps the most important issues for all Latin Americans: integration and the nature of our participation in world relations. [end recording]

President Addresses FEDECAMARAS Ceremony

PA1607184991 Caracas Venezolana de Television Network in Spanish 1838 GMT 14 Jul 91

[Speech by President Carlos Andres Perez at the installation ceremony of the new board of directors of the Venezuelan Federation of Associations and Chambers of Commerce and Industry (FEDECAMARAS) in Porlamar, Margarita island—live]

[Excerpts] Acting governor of the state of Nueva Esparta and other regional authorities; ministers and other national authorities; president and members of the FEDECAMARAS directorate; delegates to the 47th annual FEDECAMARAS assembly; ladies and gentlemen.

I have attended the closing of this 47th meeting with the attitude that has guided my administration, to pay careful and binding attention to the organizations that represent national life. The outgoing Board of Directors have served in a consultative capacity during the first half of my government. I must admit that we had a fruitful relationship with the incumbent directorate. There were coincidences in views and there were disagreements, but always in the spirit of cooperation and democratic broad-mindedness. I am hereby expressing my appreciation.

The new directorate, which assumes office today, will receive the same careful attention with similar receptiveness. This directorate is beginning its term at a complex stage in the economic and institutional life of the country, at a time when, more than ever, it should be natural to expand the defense of the interests of FEDECAMARAS members, which includes the need to share the sacrifices and risks involved in this decisive stage of our institutional life. Despite difficulties and obstacles, dialogue and reconciliation should be the goal of both the government and the new FEDECAMARAS leadership team.

The great change in course that we have effected has three basic, well-defined, and unmistakable dimensions—political, economic, and social—all three of which are aimed at expanding democracy to increase the people's participation; encouraging a productive society detached from state control and favor; and creating a more genuine society as an expression of civilian society's true potential. This stimulus for a free, productive, and democratic society and the balance between the state and the citizenry require great effort and entails sacrifices that not many are willing to accept, even if quite the opposite is said rhetorically.

We have started a transformation in Venezuela, which no one can underestimate, because it is the result of the joint effort of the government and society since February 1989, when it was difficult to establish the necessary measures and there was not much reason to believe in the firmness and permanence of the transformation. It was even predicted that the government would be swayed by pressures and the lure to repeat the experiences of the past. However, they were wrong, not only with regard to myself and the government, but particularly with regard to the country. They did not believe that Venezuela was capable of making such a profound and determined change of course, without return, such as fell on me to undertake. I believed in the nation's great reserves to meet the challenge that we have taken on. I was and I am prepared to understand the weaknesses in some projects and the difficulties encountered in their implementation.

Neither could we be taken by surprise by resistance to change in the traditional conduct of the state and the citizenry with regard to the economy, whereby the state renounced many instruments of pressure. The private sector had become accustomed to exerting pressure on the state to obtain massive benefits through the use of commercial patronage. These are the difficulties we have faced. Everything is changing now. Relations between the business sector and the state that were peculiar, ambiguous, and outside the law were eliminated.

Here we have the big dilemma, and the problem of corruption is considered within this dilemma. We must no longer refer to it as administrative corruption or as corruption within Venezuelan society. Problems within the state apparatus always come hand in hand with problems in the business apparatus. To recognize it or to treat it that way means facing the problem of corruption in a sincere manner and intent on overcoming it. Today, as I have often stated, this problem acquires an exaggerated dimension because of all the charges and accusations. Still, I hope this dimension will definitely contribute toward making all sectors of society realize that we are living amid a new era and that this situation must be eliminated from the national scene.

Complaints by businessmen about the limitations and restrictions of an excessively interventionist state are common and have been often repeated at this gathering. Let us not forget it is also a paternalistic state, blamed for all woes, errors, and frustrations—which, to be sure, is not too removed from the truth. Still, this concept is incomplete, because on the other side of the equation we have influence peddling by businessmen, a situation that involves evasions and gift-giving or is subject to the ebb and flow of compensatory pressure.

It would be useless and counterproductive to conduct a retrospective analysis on something we all know to be

true. Now it is not a question of establishing degrees of responsibility. What does matter is that we amend conduct, vices, and corruption, and that we all recognize that no one can be arrogant at this time, when we are arduously seeking fruitful understanding to amend and correct policies in which all of us have participated. These are formidable truths in the economic, political, and institutional life of the country.

The entire society of this country was both victim and beneficiary of the much too costly and painful old system of seeking favors. That is why it is not easy to understand the changes. This situation can also explain to us the aforementioned boisterous outpouring of scandals and charges that carry their objectives and tone to extremes. Reforms, as experience teaches us, are harsh and traumatic. It is difficult to agree with and eagerly promote the changes that have taken place, except those with foresight and strategic forethought. Others look at what is happening to them in terms of their own interests, rather than in terms of society as a whole.

The slow pace and untimeliness of some measures have been criticized, as have the delays in the productive apparatus' implementing decisions, and the bureaucratic attitude of some or the fear to decide of others. It is thought that once decisions are made no.... [changes thought] The continued restructuring of the state's economic apparatus has been delayed. Many of these complaints are reasonable and reflect actual situations.

Once decisions become part of the government's structure, their course becomes much more tortuous and their outcome much less predictable, especially amid a situation as tremendously complex from a political standpoint as the one Venezuela is experiencing. This is not always a problem of the authorities, who are normally blamed for mistakes. This situation is basically related to the maze of governmental tradition, which was created to intervene, regulate, issue permits, and search, rather than to open, authorize, and deregulate.

There are some who believe that the implementation of some measures is prompted by the temptation to fall into demagoguery or yield to partisan or union pressure. They feel that some demands are granted, because the traditional attitude has always been to please everyone, while, in fact, no one is ultimately pleased. The suspicions are such that it is thought there are ambiguities in the resolve to move ahead with reform. [Passage omitted]

We all need to adjust to the new and promising realities. Businessmen are facing difficulties that result from their responsibilities in the new society that we are building. This is not the time for uncertain leaders or arrogant businessmen who would not work in favor of production and productivity.

We all know what has taken place. We are facing the serious economic and social imbalance that has appeared to have canceled the possibilities for the development of Venezuela. It was necessary to eliminate the macroeconomic imbalances and the price distortions to create the conditions that would generate stable economic growth. This would in turn pave the way for our rejoining the international economy.

The most important reform that we have adopted, which we reiterate with satisfaction, has been to trust in domestic and foreign private investments to continue this race toward the modernization of the productive apparatus of the country.

One of the most important structural decisions that we adopted was, undoubtedly, the privatization of public enterprises and activities that are not part of the basic functions of the state. In this delicate matter, we have progressed gradually but firmly, without dogmatism or any kind of ideology. We have progressed by reaching agreements with different sectors and institutions.

The privatization program is gaining intensity and momentum. Our agenda for the next few days includes the privatization of such important enterprises as VIASA [state-owned air carrier], the bidding for which is scheduled to take place in August; the ports—we have agreed to liquidate the National Port Institute; the National Telephone Company of Venezuela, which will be transferred into the private sector in October; the Caracas Metropolitan Water Works Institute, which will be privatized by the end of this year; and Astinave [Venezuelan Shipyards, Inc.], which will be privatized in September. In addition, sugar mills and tourist facilities will be turned over to the private sector during the next few months.

The privatization process is being carried out according to government policies announced a few months ago. The operations are being carried out through public bidding, offering workers direct participation in those enterprises as stock holders. I recall that it was agreed by virtue of some contracts that the banks would become [words indistinct] within a specified period of time.

I am pleased to announce that during the current period of sessions, the Senate approved a bill on privatization, which was jointly prepared by the executive and legislative branches. Privatization is not limited to the mere transfer of enterprises or assets from the public sector to private hands. Foreign and domestic investment are gradually being made in areas of the economy that were until recently in public hands.

New investment in aluminum plants and petro-chemical projects is mostly private. Private investors are also planning to purchase other public enterprises, such as the SIDOR [Orinoco Iron and Steel Works] pipe-manufacturing plant.

Another myth that had to be done away with was the apparent contradiction between foreign investment and national sovereignty. There was justification for it in the past, but the myth, prolonged for so long, dragged us into a situation of appalling economic dependency that did

and still does affect national sovereignty, resulting in a burdensome foreign debt to the international banks. This foreign debt put a lid on our investment capacity. Indiscriminate loans substituted for foreign investments, however, they did not contribute technology or markets for our products, nor did they give us the opportunity to demonstrate our managerial capabilities. Being open to foreign investment is fundamental to the structural reform we are promoting. [passage omitted]

The results of our efforts two and one-half years later are satisfactory; our foreign debts are in balance, we have reduced the fiscal deficit, and there is actual growth in the economy. Once again, we have a surplus in our balance of payments with levels close to $4 billion in 1991; we had a deficit of $6 billion in 1988. This result has contributed to increasing our international reserves which have reached nearly $12 billion, twice as much as we had in 1988.

We had substantial improvement in the financial situation of the public sector, as we emerged from a deficit of 9.4 percent of the Gross National Product [GNP] in 1988 to virtually eliminate it in 1989. Likewise, we have managed to gradually reduce the level of inflation that should continue as a result of firm implementation of the fiscal and monetary policies of equilibrium that we will continue to implement.

I have not justified the return of excessive public expenses, even though its distribution is controversial. This is not due to a lack of political resolve or efforts to reorganize it, but rather to situations that have been created over the span of many years.

Nonetheless, we have not been set back in our determination to maintain a fiscal balance. We have substantially readjusted the expenses scheduled for 1991 by over 40 billion bolivars, which includes reducing the budget by 20 billion bolivars—approved this week by the Council of Ministers—and over 20 billion bolivars for the public sector. Requests by the various offices for the 1992 budget have amounted to over 1.1 trillion bolivars. However, the one presented to Congress was reduced to 750 billion bolivars, 350 billion bolivars less.

This draft budget entails an actual reduction that is higher than 20 percent, which will entail numerous difficulties. At the same time, it pleases us that strong economic growth in 1992 will be promoted by an increase of private, national, and foreign investments.

We have restored growth to the national economy, the true economy. We achieved a 5.3 percent increase in the GNP in 1990, the highest in Latin America, as the international economic organizations confirm. We estimate that the rate for the year 1991 will be between six and seven percent. At least, the social crisis has been halted as unemployment has dropped from 10 percent of the active population at the end of 1990 to 8.5 percent so far this year. This means that if we are not in the best of worlds, at least there are sufficient reasons for being optimistic and believing that the worst is over. [passage omitted]

Our decision, our overall will, must be to reinforce structural change as a national priority, offering private enterprise the opportunity to assume the protagonist role in the country's economic development.

The ministers and the president of the Central Bank of Venezuela who participated in this assembly manifested clearly and openly the government's course of action. At no time was there any effort to stir up futile and sterile confrontations, but rather to draw the consciences and reflections of the businessmen to the need that we have to emphasize the affirmative and not always be looking at what we have not been able to do, or what we have more or less done, or what we have done wrong, thus laying out a curtain of frustration and lack of confidence among the diverse sectors of production. [passage omitted]

We are no longer taking leaps into space. The policies are well defined, and that is the only valid way to face the world amid increasing interdependence and competition. We must involve ourselves in productive work. This means a return to economic democracy as the basis for the greater welfare of the Venezuelan people. I greeted with satisfaction the invitation of the new president of FEDECAMARAS, as well as the efforts of the former board of directors, who called on the labor movement to make the concerted effort to reach an understanding. That is the course of action that lies ahead of us. Let us get to work, dear friendly businessmen. [applause]

French Guiana

Ariane Rocket Launch Called 'Complete Success'

PA1707034191 Paris AFP in Spanish 0231 GMT 17 Jul 91

[Text] Kourou, French Guiana, Jul 17 (AFP)— Kourou Space Center and Arianespace Company officials announced today that the launching of the 44th European Ariane rocket, with the ERS-1 land-observation satellite on board, had been a "complete success."

The takeoff took place at 0146 GMT on 17 July. The Ariane rocket managed to place the ERS-1 European environment satellite and the four accompanying ORBCOMM-X , SARA, TUBSAT, and UOSAT scientific micro-satellites, in geostationary orbit.

The technicians said everything had been "nominal," which is their way of saying that each phase of the operation took place on schedule.

With this new success, Arianespace—the first "space transporter"—is now, more than ever before, at the head of the world market of satellite launchers with regards to its competitors, mainly the United States.

The European firm secures half of the commercial satellite launches in the world and is scheduled to launch 35 satellites for a gross value of $3 billion.

Arianespace will now launch one rocket a month. The ERS-1 and four scientific micro-satellites, will be followed by the following: Intelsat-VI F5 (14 August), Anik-E1 (20 September), Intelsat-VI-F1, Superbird-B, and Inmarsat-2-F3, Telecoms-2A, and Inmarsat-2-F4.

Guyana

Jagan Says Public Spending Cuts Come Late

FL1307165991 Bridgetown CANA in English
1527 GMT 13 Jul 91

[Text] Georgetown, Guyana, July 13, CANA—Guyana's opposition People's Progressive Party (PPP), saying it urged public spending cuts since 1979, has charged that current civil service restructuring would have saved money if undertaken early. PPP leader Dr. Cheddi Jagan said the party had advocated cuts in the bureacracy and military and had advised that government suspend, or pay only a percentage of debt payments, but its advice was ignored by then President Forbes Burnham.

"If that was done then, we would have saved a lot of money in the intervening period and we would not have had to pay so much money to the British consulting firm who is advising them on this question," Jagan told CANA.

Last Monday the number of government ministries here was cut from 18 to 11—coinciding with the relinquishing of portfolio's by four ministers—under a reform programme backed by British finance and technical assistance. According to Jagan, the PPP had told the government that only 11 ministers were needed.

"We had 10 in the PPP government except foreign affairs," Jagan said, referring to the pre-independence government of his party. The foreign affairs portfolio was the responsibility of a British Government nominee under the internal self-government Constitution.

President Desmond Hoyte, who took office after the 1985 death of Burnham, has launched wide-ranging economic and political reforms, including the present civil service restructuring and streamlining.

Currency Unchanged for 2d Week, Stable for 4

FL1707013291 Bridgetown CANA in English
2229 GMT 16 Jul 91

[Text] Georgetown, Guyana, July 16, CANA—The Central Bank in Guyana announced Tuesday an unchanged official exchange rate of Guy123.75 dollars to U.S.1 dollar for this week.

The official rate, which is adjusted weekly by the Central Bank, has remained unchanged for the second week and has been hovering at between 123 and 124 to the U.S. dollars for the past four weeks. Cambios in the capital were trading the U.S. dollar at Guy123 to one.

The foreign currency market here has maintained a stability following the February 1991 national budget, in which heralded the Guyana currency was devalued from 45-to-one to 101.75-to-the-U.S. dollar, the then existing cambio rate. The official rate is set weekly based on the cambio average.